AT&T SOUTH CAROLINA'S

DIRECT TESTIMONY OF P.L. (SCOT) FERGUSON

BEFORE THE PUBLIC SERVICE COMMISSION

OF SOUTH CAROLINA

DOCKET NO. 2007-215-C

JULY 23, 2007

Q. PLEASE STATE YOUR NAME, YOUR POSITION WITH AT&T, AND YOUR BUSINESS ADDRESS.

A. My name is Scot Ferguson. I am employed by AT&T Wholesale as an Associate Director in the Customer Care organization. As such, I am responsible for certain issues related to wholesale policy, primarily related to the general terms and conditions of interconnection agreements throughout AT&T's operating regions, including South Carolina. My business address is 675 West Peachtree Street, Atlanta, Georgia 30375.

Q. PLEASE SUMMARIZE YOUR BACKGROUND AND EXPERIENCE.

A. I graduated from the University of Georgia in 1973, with a Bachelor of Journalism degree. My career spans over 33 years with Southern Bell, BellSouth Corporation, BellSouth Telecommunications, Inc., and AT&T. During that time, I have held positions in sales and marketing, customer system design, product

management, training, public relations, wholesale customer support, regulatory support, and my current position as a corporate witness on wholesale policy issues.

Q. HAVE YOU PARTICIPATED IN REGULATORY PROCEEDINGS IN THE PAST?

A. Yes. I have filed testimony and appeared as a witness before the regulatory bodies in all nine states of the former BellSouth Telecommunications region.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. As explained below, AT&T agrees that a merger commitment set forth in an Order of the Federal Communications Commission ("FCC") allows Sprint to extend the parties' prior interconnection agreement for three years. The dispute is whether that three-year extension period begins when the prior agreement expired in December 2004 (as AT&T contends) or whether it begins some two and a half years later (as Sprint contends). In my testimony, I provide information relevant to this dispute, explain why AT&T believes its position is correct from a policy perspective, and explain why AT&T believes Sprint's position is incorrect from a policy perspective.

Q. HOW IS YOUR TESTIMONY ORGANIZED?

A. First, I present facts regarding the prior interconnection agreement between AT&T and Sprint. Second, I present facts regarding the parties' negotiation of a new interconnection agreement. Third, I identify the merger commitment at issue and present facts regarding the origin of the commitment. Fourth, I explain why AT&T believes its position is correct from a policy perspective and why AT&T believes Sprint's position is incorrect from a policy perspective.

Q. AS A PRELIMINARY MATTER, DOES AT&T BELIEVE THAT THE MERGER COMMITMENT SPRINT RELIES UPON IS AN APPROPRIATE ISSUE TO BE ADDRESSED IN THIS PROCEEDING?

A. No. Instead, AT&T believes that issue can only be addressed by the FCC. AT&T's position on this legal issue is set forth in the Motion to Dismiss and, in the Alternative, Answer that AT&T filed June 22, 2007. AT&T's attorneys will further address this legal issue in post-hearing briefs and, if requested by the Commission, in oral argument. My addressing this merger commitment should not be construed as a waiver of these legal positions.

I. THE PRIOR AT&T-SPRINT INTERCONNECTION AGREEMENT

Q. HAVE AT&T AND SPRINT ENTERED INTO AN INTERCONNECTION AGREEMENT IN THE PAST?

A. Yes. In January 2001, AT&T and Sprint entered into an interconnection agreement. Exhibit PLF-1 to my testimony is a copy of the General Terms and Conditions of that interconnection agreement, which states in Section 2.1 that the interconnection agreement expired three years from its effective date. Exhibit PLF-2 to my testimony is a copy of an amendment to the original General Terms and Conditions, which expressly states in Section 2.1 that "[t]he term of this Agreement shall be from the effective date as set forth above and shall expire as of June 30, 2004." Exhibit PLF-3 to my testimony is a copy of another amendment (and the last one addressing this subject), which expressly states in Section 2.1 that "[t]he term of this Agreement shall be from the effective date as set forth above and shall expire as of December 31, 2004."

Q. WHAT IS AN EXPIRATION DATE OF AN INTERCONNECTION AGREEMENT?

A. It is an agreed-upon date certain that defines the termination of the interconnection agreement between two companies.

Q. IF THE MOST RECENT INTERCONNECTION AGREEMENT AT&T AND SPRINT SIGNED EXPIRED TWO-AND-A-HALF YEARS AGO, UNDER WHAT ARRANGEMENT HAVE AT&T AND SPRINT CONTINUED TO DO BUSINESS SINCE THEN?

A. It has been the longstanding practice in AT&T's Southeast region that, if the negotiation or arbitration of a new interconnection agreement continues beyond the expiration date of the existing interconnection agreement, the parties can agree to extend negotiations for the new interconnection agreement beyond the expiration date.

Q. DID THIS HAPPEN IN THE CASE OF AT&T AND SPRINT?

A. Yes. That happened several times during the negotiations between AT&T and Sprint for a new interconnection agreement.

Q. DID THE EXPIRED AT&T-SPRINT INTERCONNECTION AGREEMENT ADDRESS SUCH A SITUATION?

A. Yes. If the parties agree to extend negotiation or arbitration beyond the expiration date, Section 2.1 of the General Terms and Conditions of the expired AT&T-Sprint interconnection agreement allows the parties to continue to operate under that agreement basis so that service is not disrupted during the course of ongoing

negotiations. Again, that is what happened during the negotiations between AT&T and Sprint for a new interconnection agreement.

II. NEGOTIATION OF A NEW INTERCONNECTION AGREEMENT

Q. HOW LONG DID THE PARTIES NEGOTIATE A NEW INTERCONNECTION AGREEMENT?

A. The parties began negotiations in July 2004, and those negotiations are ongoing.

Q. DID THE PARTIES MAKE PROGRESS TOWARD REACHING A NEW AGREEMENT?

A. Yes, AT&T and Sprint made substantial progress toward reaching a new agreement. In fact, AT&T and Sprint had reached agreement in principle on all issues with the possible exception of Attachment 3, as AT&T witness Scott McPhee notes in his Direct Testimony.

Q. WHY, THEN, HAVE THE PARTIES NOT ENTERED INTO A NEW INTERCONNECTION AGREEMENT?

A. In late 2006, Sprint stopped working towards entering into a new negotiated interconnection agreement and, instead, informed AT&T that Sprint wanted to

extend the expired agreement pursuant to its erroneous interpretation of one of the then-newly announced (December 29, 2006) AT&T/BellSouth merger commitments.

III. THE MERGER COMMITMENT

Q. GENERALLY, WHAT DO YOU MEAN BY MERGER COMMITMENT?

A. The FCC's Order approving the merger of AT&T Inc. and BellSouth Corporation contains, as Appendix F, a number of commitments the FCC considered in approving the mergers.[1] Exhibit PLF-4 to my testimony is a copy of Appendix F to the FCC's Order.

Q. UPON WHICH MERGER COMMITMENT IS SPRINT RELYING?

A. Sprint relies upon the merger commitment found in Paragraph 4 under the commitments titled "Reducing Transaction Costs Associated With Interconnection Agreements." This commitment, which appears on page (4 of 19) of Exhibit PLF-4, reads as follows:

> The AT&T/BellSouth 1LECs shall permit a requesting telecommunications carrier to extend its current interconnection

[1] *See* Memorandum Opinion and Order, *In the Matter of AT&T, Inc. and BellSouth Corporation Application for Transfer of Control*, 22 F.C.C.R. 5662 at ¶222, Appendix F (March 26, 2007).

agreement, regardless of whether its initial term has expired, for a period of up to three years, subject to amendments to reflect prior or future changes of law. During this period, the interconnection agreement may be terminated only via the carrier's request unless terminated pursuant to the agreement's "default" provisions."

Q. WHERE DID THE LANGUAGE FOUND IN THAT MERGER COMMITMENT ORIGINATE?

A. The language was proposed by Advance/Newhouse Communications; Cablevision Systems Corporation, Charter Communications, Cox Communications, and Insight Communications Company (collectively "Cable Companies") in Comments they filed with the FCC in Docket No. 06-74 DA 06-2035 on October 24, 2006. Exhibit PLF-5 to my testimony is a copy of those Comments.

Q. WHAT SPECIFIC LANGUAGE DID THE CABLE COMPANIES PROPOSE?

A. On page (12 of 23) of PLF-5, in paragraph 4 of a section titled "Reducing Transaction Costs," the Cable Companies proposed the following commitment language:

> AT&T/BellSouth shall permit a party to extend the parties' current interconnection agreement, regardless of whether its initial term

has expired, for a period of up to three years, subject to amendment to reflect changes of law after the agreement has been extended. During this period, the interconnection agreement may be terminated only via a competitor's request unless terminated pursuant to the agreement's "default" provisions."

Q. HOW DOES THE LANGUAGE PROPOSED BY THE CABLE COMPANIES COMPARE TO THE LANGUAGE CONTAINED IN THE ACTUAL MERGER COMMITMENT?

A. The language is substantively the same. In fact, the language contained in the actual merger commitment tracks, almost verbatim, the language proposed by the Cable Companies.

Q. DO THE CABLE COMPANIES' COMMENTS INDICATE WHETHER THEY WERE CONCERNED WITH EFFECTIVE AGREEMENTS, EXPIRED AGREEMENTS, OR BOTH?

A. Yes. The language in the commitment, as proposed and adopted, speaks of extending "agreements." The Cable Companies' Comments underscore their concern with existing, not expired, agreements, by asking "that competitors be permitted to . . . extend the term of existing agreements...."[2]

[2] Exhibit PLF-5 at page (10 and 11 of 23).

Q. IS THE PRIOR AT&T-SPRINT INTERCONNECTION AGREEMENT EXPIRED?

A. Yes. As explained above, that agreement is expired. In fact, it expired more than two and a half years ago.

Q. WHAT DID THE CABLE COMPANIES' COMMENTS PRESENT AS THE PURPOSE OF THE COMMITMENT RELIED UPON BY SPRINT?

A. As discussed by the Cable Companies on page (11 of 23) of Exhibit PLF-5, the purpose was to reduce transaction costs associated with "continually re-negotiating interconnection agreements."

Q. HAS AT&T EXTENDED ANY INTERCONNECTION AGREEMENTS PURSUANT TO THIS MERGER COMMITMENT?

A. Yes. To date, AT&T has extended more than 130 interconnection agreements pursuant to this merger commitment.

IV. THE PARTIES' DISAGREEMENT OVER THE MERGER COMMITMENT

Q. WHAT DOES SPRINT BELIEVE THIS MERGER COMMITMENT ALLOWS IT TO DO?

A. Sprint believes this commitment allows it to extend the prior agreement for an additional three years.

Q. DOES AT&T AGREE THAT THIS COMMITMENT ALLOWS FOR A THREE-YEAR EXTENSION OF THE PRIOR AGREEMENT?

A. Yes.

Q. THEN WHAT IS THE DISPUTE?

A. The dispute is about the date from which the three-year extension begins to run.

AT&T's position is that Sprint may take the agreement that expired on December 31, 2004 and extend it for three years beyond that expiration date – or until December 31, 2007.

Sprint's position is that Sprint may take the agreement that expired on December 31, 2004 and extend it for three years beyond the date Sprint requested the extension in March 2007, or until March 2010.

In other words, Sprint contends that a three-year extension of an agreement that expired in December 2004 spans more than three years – from December 2004 to March 2010.

Q. DOES SPRINT AGREE THAT THE PRIOR AGREEMENT EXPIRED ON DECEMBER 31, 2004?

A. No. Despite the plain language in that agreement stating that it expired on December 31, 2004, Sprint's position is that the prior interconnection agreement converted to a 'month-to-month' agreement, and, as such, was *not* expired.

Q. DOES AT&T AGREE WITH SPRINT'S POSITION?

A. No. As stated above, and as indicated by the parties' actions, the prior interconnection agreement expired. As I explained earlier, the parties have continued to operate under that prior interconnection agreement as an interim measure to accommodate ongoing negotiations while avoiding disruption of service for Sprint's end users. Accordingly, it is being used to govern the services

between the parties until a new interconnection agreement can be finalized, but by its own terms it is expired.

AT&T, therefore, is obligated only to extend that expired interconnection agreement for three years from its expiration date, or, as the comments in the FCC merger docket make clear, to extend the *term* of the existing agreement for a period of up to three years.

Q. DURING NEGOTIATIONS, DID THE PARTIES DISCUSS WHETHER OR NOT TO EXTEND THE TERM OF THE PRIOR AGREEMENT?

A. Yes, and AT&T made it clear from the beginning of the negotiations that is was unwilling to extend the term of the prior agreement. Exhibit PLF-6 is the November 19, 2004 email from legacy BellSouth attorney Rhona Reynolds that Sprint's witness Mr. Felton discusses and attaches as Exhibit MGF-2 to his Direct Testimony. This email includes the following statement that Mr. Felton did not address in his Direct Testimony: "At this time, [AT&T] is not willing to extend the term of the [interconnection agreement]." From the very beginning of negotiations, therefore, AT&T made clear its intent to maintain the December 31, 2004 expiration date of the interconnection agreement. AT&T never agreed to any change in the December 31, 2004 interconnection agreement expiration date.

Q. IS SPRINT'S POSITION CONSISTENT WITH THE PURPOSE OF THE MERGER COMMITMENT?

A. No. As explained above, the purpose of the merger commitment is to alleviate transaction costs associated with "continually re-negotiating interconnection agreements" by offering a one-time, three-year extension of the term of the interconnection agreement - not to extend interconnection agreements for an additional six years as Sprint seeks to do. Furthermore, in this case the parties have already incurred transaction costs associated with more than two years of negotiations for a new interconnection agreement. By walking away from an all-but-completed negotiation and filing for arbitration of a non-arbitrable issue, Sprint is increasing transaction costs in direct contravention of the purpose of the merger commitment.

Q. WOULD ADOPTING SPRINT'S INTERPRETATION OF THE MERGER COMMITMENT LEAD TO ADVERSE CONSEQUENCES?

A. Yes. Sprint's interpretation of the agreement, if adopted, would encourage AT&T to deny requests to continue negotiations after an agreement expires, even if AT&T would otherwise be amenable to doing so. Otherwise, under Sprint's interpretation of the merger commitment, carriers could obtain more than a three-year extension of their interconnection agreements by requesting negotiation of a

new interconnection agreement, dragging out those negotiations, and then electing to extend the prior agreement three years beyond the date of the request.

Further, Sprint's interpretation of the commitment treats carriers requesting extensions of interconnection agreements differently simply due to timing. It permits carriers who have already been operating under an agreement that has long since expired, as Sprint has, to continue to maintain that agreement for a much longer period of time than would a carrier whose agreement has not yet reached its expiration. In contrast, AT&T's interpretation of the commitment allows *all* carriers an opportunity to operate under an interconnection agreement with a six year term (three years as specified in the interconnection agreement and an additional three years via an extension request). To achieve that result, the commitment must be interpreted to permit an extension of three years from the stated term set forth in the interconnection agreement. Otherwise, as stated above, some carriers would be able to drag out negotiations, claim to be looking for an agreement to adopt, and even file for arbitration of a new agreement, all the while simply waiting for the passage of time to enable them to obtain a much longer term for their existing agreement than the six years contemplated by the commitment.

Moreover, the telecommunications industry is highly dynamic and undergoes rapid technological and regulatory changes. To maintain efficiencies and encourage innovation, interconnection agreements must be updated to keep pace

with the ever-advancing industry. Sprints position, which would maintain an antiquated interconnection agreement *for over nine years*, does not allow for such updates. For example, since the Sprint interconnection agreement became effective in 2001, the wireless industry's traffic patterns have continued to evolve. To address the proper jurisdictionalization of traffic for billing purposes, AT&T has developed a methodology to accurately measure InterMTA traffic based upon CMRS carriers populating a new field in call detail records. The new interconnection agreement that AT&T negotiated with Sprint includes specific language addressing the correct jurisdictionalization of InterMTA traffic. The interconnection agreement that Sprint seeks to extend does not address this issue, because the ability to populate the relevant field in call detail records did not exist at the time the parties entered into that interconnection agreement. When technological advances such as this are not addressed, inefficiencies are created from the parties being locked into out-dated agreements.

Q. HAS AT&T OFFERED TO EXTEND THE PRIOR INTERCONNECTION AGREEMENT BETWEEN AT&T AND SPRINT?

A. Yes. AT&T has offered to extend that interconnection agreement three years beyond its expiration date of December 31, 2004, or until December 31, 2007.

Q. DO YOU HAVE ANY FINAL COMMENTS?

A. Yes. If AT&T was compelled to extend the Sprint interconnection agreement until 2010, that would mean that Sprint would have benefited from what amounts to a nine-year interconnection agreement: the original three-year term, an amended one-year extension of the original term, the extended negotiation period of more than two years, and the three-year extension requested by Sprint. Although numerous amendments were incorporated into the AT&T/Sprint interconnection agreement to bring it current with changes in law and other major items, the 2001 interconnection agreement is, as a whole, drastically different from the current AT&T standard agreement that reflects changes in both the telecommunications industry and AT&T's operations.

Moving to a new AT&T/Sprint interconnection agreement would eliminate the amendments by incorporating the amendment language into the agreement itself. Sprint's version of an extension would also ignore the transactional costs associated with the negotiations that have taken place over the last two-and-a-half years – transactional costs that would have resulted in a new and current interconnection agreement had Sprint not decided to abruptly cease negotiations and erroneously attempted to raise the interconnection agreement extension issue within the scope of a Section 252 arbitration.

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes.

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EXHIBIT PLF-1

By and Between

BellSouth Telecommunications, Inc.

And

Sprint Communications Company Limited Partnership
Sprint Communications Company L.P.
Sprint Spectrum L.P.

AGREEMENT

THIS INTERCONNECTION AND RESALE AGREEMENT is made by and between BellSouth Telecommunications, Inc., ("BellSouth"), a Georgia corporation, Sprint Communications Company Limited Partnership and Sprint Communications Company L.P. (collectively referred to as "Sprint CLEC"), a Delaware Limited Partnership and Sprint Spectrum L.P., a Delaware limited partnership, as agent and General Partner for WirelessCo, L.P., a Delaware limited partnership, and SprintCom, Inc., a Kansas corporation, all foregoing entities jointly d/b/a Sprint PCS ("Sprint PCS") ('the Agreement"). When the terms and conditions apply to both Sprint CLEC and Sprint PCS, the collective term "Sprint" shall be used. Otherwise, the applicable party shall be identified. This Agreement may refer to either BellSouth or Sprint or both as a "Party" or "Parties", and is made effective on January 1, 2001 ("Effective Date"). The terms and conditions of this Agreement together with the negotiated bill and keep compensation arrangement for Call Transport and Termination for CLEC Local Traffic, ISP-Bound Traffic and Wireless Local Traffic are made effective as of the Effective Date. All other rates in this Agreement are made effective thirty (30) calendar days following the date of the last signature of the Parties.

RECITALS

WHEREAS, BellSouth is a local exchange telecommunications company authorized to provide telecommunications services in the states of Alabama, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, and Tennessee; and

WHEREAS, Sprint Communications Company Limited Partnership is a Competitive Local Exchange Carrier ("CLEC") authorized to provide telecommunications services in the state of Florida and Sprint Communications Company L. P. is a CLEC authorized to provide telecommunications services in the states of Alabama, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, and Tennessee; and

WHEREAS, Sprint PCS is a Commercial Mobile Radio Service ("CMRS") provider licensed by the Federal Communications Commission ("FCC") to provide CMRS in the states of Alabama, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina and Tennessee; and

WHEREAS, the Act places certain duties and obligations upon, and grants certain rights to Telecommunications Carriers; and

WHEREAS, Sprint is a Telecommunications Carrier and has requested that BellSouth negotiate an Agreement with Sprint for the provision of Interconnection, Unbundled Network Elements, and Ancillary Functions as well as Telecommunications Services for resale, pursuant to the Telecommunications Act of 1996 (the "Act") and in conformance with BellSouth's duties under the Act; and

NOW THEREFORE, in consideration of the terms and agreements contained herein, BellSouth and Sprint mutually agree as follows:

1. Purpose

This Agreement specifies the rights and obligations of the parties with respect to the establishment of local interconnection, the resale of telecommunications services, and the purchase of unbundled network elements ("UNEs"). This Agreement is entered into by BellSouth, Sprint CLEC, and Sprint PCS as the result of negotiation and compromise for the sole purpose of establishing a single interconnection arrangement between the three entities. As such the Parties intend for this Agreement to be applicable to both the CLEC and wireless interconnection arrangements as a single unified interconnection arrangement.

2. Term of the Agreement

2.1 The term of this Agreement is three (3) years from the Effective Date. Upon mutual agreement of the Parties, the term of this Agreement may be extended. If as of the expiration of this Agreement, a Subsequent Agreement (as defined in Section 3.1 below) has not been executed by the Parties, this Agreement shall continue on a month-to-month basis while a Subsequent Agreement is being negotiated. The Parties' rights and obligations with respect to this Agreement after expiration shall be as set forth below.

2.2 In the event of default, the non-defaulting Party may terminate this Agreement in whole or in part provided that the non-defaulting Party so advises the defaulting Party in writing of the event of the alleged default and the Defaulting Party does not remedy the alleged default within 60 days after written notice thereof. Default is defined as:

a. Either Party's material breach of any of the terms or conditions hereof; or
b. Either Party's insolvency or initiation of bankruptcy or receivership proceedings by or against the Party.

3. Renewal

3.1 The Parties agree that by no later than one hundred and eighty (180) days prior to the expiration of this Agreement, they shall commence negotiations with regard to the terms, conditions and prices of resale and/or local interconnection to be

effective beginning on the expiration date of this Agreement ("Subsequent Agreement").

3.2 If, within one hundred and thirty-five (135) days of commencing the negotiation referred to in Section 3.1, above, the Parties are unable to satisfactorily negotiate new resale and/or local interconnection terms, conditions and prices, either Party may petition the Commission to establish appropriate local interconnection and/or resale arrangements pursuant to 47 U.S.C. 252. The Parties agree that, in such event, they shall encourage the Commission to issue its order regarding the appropriate local interconnection and/or resale arrangements no later than the expiration date of this Agreement. The Parties further agree that in the event the Commission does not issue its order prior to the expiration date of this Agreement, or if the Parties continue beyond the expiration date of this Agreement to negotiate the local interconnection and/or resale arrangements without Commission intervention, the terms, conditions and prices ultimately ordered by the Commission, or negotiated by the Parties, will be effective retroactive to the day following the expiration date of this Agreement.

3.3 Notwithstanding the foregoing, in the event that as of the date of expiration of this Agreement and conversion of this Agreement to a month-to-month term, the Parties have not entered into a Subsequent Agreement and either no arbitration proceeding has been filed in accordance with Section 3.2 above, or the Parties have not mutually agreed (where permissible) to extend the arbitration window for petitioning the Commission for resolution of those terms upon which the Parties have not agreed, then either Party may terminate this Agreement upon sixty (60) days notice to the other Party. In the event that BellSouth terminates this Agreement as provided above, BellSouth shall continue to offer services to Sprint pursuant to the terms, conditions and rates set forth in BellSouth's Statement of Generally Available Terms (SGAT) for Sprint CLEC, or the General Subscriber Services Tariff (GSST) or other applicable tariff for Sprint PCS, to the extent an SGAT or GSST has been approved by the Commission. If any state Commission has not approved a BellSouth SGAT or GSST, then upon BellSouth's termination of this Agreement as provided herein, BellSouth will continue to provide services to Sprint pursuant to such Interconnection Agreement that Sprint may elect pursuant to Section 252 (i) of the Act and Section 17 of this agreement. In the event that no election is made, BellSouth will continue to provide services to Sprint pursuant to BellSouth's then current standard interconnection agreement. In the event that the SGAT or GSST or the Interconnection Agreement elected by Sprint under the term of this provision and section of this agreement becomes effective as between the Parties, the Parties may continue to negotiate a Subsequent Agreement, and the terms of such Subsequent Agreement shall be effective retroactive to the day following expiration of this Agreement.

4. Ordering Procedures

4.1 For Sprint CLEC, the ordering procedures are as detailed in Attachment 6 Ordering and Provisioning of this Agreement, incorporated herein by this reference. The ordering and provision of all services purchased from BellSouth by Sprint PCS shall be set forth in the BellSouth Telecommunications Wireless Customer Guide as that guide is amended by BellSouth from time to time during the term of this Agreement.

5. Parity

5.1 When Sprint CLEC purchases, pursuant to Attachment 1 of this Agreement, telecommunications services from BellSouth for the purposes of resale to end users, BellSouth shall provide said services so that the services are equal in quality, subject to the same conditions, and provided within the same provisioning time intervals that BellSouth provides to its affiliates, subsidiaries and end users.

5.2 The quality of a Network Element, as well as the quality of the access to such Network Element provided by BellSouth to Sprint shall be at least equal in quality to that which BellSouth provides to itself or such access as would offer an efficient carrier a meaningful opportunity to compete.

6. White Pages Listings

BellSouth shall provide Sprint and their customers access to white pages directory listings under the following terms:

6.1 Listings. BellSouth or its agent will include Sprint residential and business customer listings in the appropriate White Pages (residential and business) alphabetical directories. There will be no distinction made between Sprint and BellSouth customer listings.

6.2 Rates. Subscriber primary listing information in the White Pages shall be provided at no charge to Sprint or its subscribers provided that Sprint provides subscriber listing information to BellSouth at no charge.

6.3 Procedures for Submitting Sprint Subscriber Information. BellSouth will provide to Sprint a magnetic tape or computer disk containing the proper format for submitting subscriber listings. Sprint will be required to provide BellSouth with directory listings and daily updates to those listings, including new, changed, and deleted listings, in an industry-accepted format. These procedures, which are the same for resale and Unbundled Network Element based services, are detailed in BellSouth's Local Interconnection and Facility Based Ordering Guide.

6.4 Non-listed/Non-Published Subscribers. Sprint will be required to provide to BellSouth the names, addresses and telephone numbers of all Sprint customers that wish to be omitted from directories and designated accordingly as either non-published or non-listed.

6.5 Inclusion of Sprint Customers in Directory Assistance Database. BellSouth will include and maintain Sprint subscriber listings in BellSouth's directory assistance databases at no charge. BellSouth and Sprint will formulate appropriate procedures regarding lead time, timeliness, format and content of listing information.

6.6 Listing Information Confidentiality. BellSouth will accord Sprint's directory listing information the same level of confidentiality that BellSouth accords its own directory listing information. BellSouth shall ensure that access to Sprint customer proprietary listing information will be limited solely to those of BellSouth and BellSouth's directory publisher's employees, agents and contractors that are directly involved in the preparation of listings, the production and distribution of directories, and the sale of directory advertising. BellSouth will advise its own employees, agents and contractors and its directory publisher of the existence of this confidentiality obligation and will take appropriate measures to ensure their compliance with this obligation.

6.7 Optional Listings. Additional listings and optional listings will be offered by BellSouth at tariffed rates as set forth in the General Subscriber Services Tariff. In addition to a basic White Pages listing, BellSouth will provide, at the rates set forth in Attachment 1 of this Agreement, tariffed White Pages listings (e.g., additional, alternate, foreign and non-published listings) for Sprint to offer for resale to Sprint's customers.

6.8 Delivery. BellSouth or its agent shall deliver White Pages directories to Sprint CLEC subscribers at no charge.

6.9 BellSouth agrees to provide White Pages distribution services to Sprint customers within ILEC's service territory at no additional charge to Sprint. BellSouth represents that the quality, timeliness, and manner of such distribution services will be at parity with those provided to BellSouth and to other Sprint customers.

6.10 BellSouth will not sell or license Sprint's White Pages directory listing information to any third party without Sprint's prior written consent.

7. Bona Fide Request/New Business Request Process for Further Unbundling

7.1 Any request by Sprint for access to a network element, interconnection option, or for the provisioning of any service or product that is not already available shall be treated as a Bona Fide Request/New Business Request, and shall be submitted to BellSouth pursuant to the Bona Fide Request/New Business Request process set forth following. For those products and services that have been made available to other CLECs, such services shall be made available to Sprint on the same rates, terms and conditions through an amendment to this agreement.

7.2 A Bona Fide Request shall be submitted in writing by Sprint and shall specifically identify the required service date, technical requirements, space requirements and/or such specifications that clearly define the request such that BellSouth has sufficient information to analyze and prepare a response. Such a request also shall include Sprint's designation of the request as being (i) pursuant to the Telecommunications Act of 1996 or (ii) pursuant to the needs of the business.

7.3 Although not expected to do so, Sprint may cancel, without penalty, a Bona Fide Request in writing at any time. BellSouth will then cease analysis of the request.

7.4 Within two (2) business days of its receipt, BellSouth shall acknowledge in writing, the receipt of the Bona Fide Request and identify a single point of contact and any additional information needed to process the request.

7.5 Except under extraordinary circumstances, within thirty (30) days of its receipt of a Bona Fide Request, BellSouth shall provide to Sprint a preliminary analysis of the Bona Fide Request. The preliminary analysis will include BellSouth's proposed price (plus or minus 25 percent) and state whether BellSouth can meet Sprint's requirements, the requested availability date, or, if BellSouth cannot meet such date, provide an alternative proposed date together with a detailed explanation as to why BellSouth is not able to meet Sprint's requested availability date. BellSouth also shall indicate in this analysis its agreement or disagreement with Sprint's designation of the request as being pursuant to the Act or pursuant to the needs of the business. If BellSouth does not agree with Sprint's designation, it may utilize the procedures set forth in Section 14 of the General Terms and Conditions of this Agreement. In no event, however, shall any such dispute delay BellSouth's processing of the request. If BellSouth determines that it is not able to provide Sprint with a preliminary analysis within thirty (30) days of BellSouth's receipt of a Bona Fide request, BellSouth will inform Sprint as soon as practicable. Sprint and BellSouth will then determine a mutually agreeable date for receipt of the preliminary analysis.

7.6 As soon as possible, but in no event more than ninety (90) days after receipt of the request, BellSouth shall provide Sprint with a firm Bona Fide Request quote which will include, at a minimum, the firm availability date, the applicable rates and the installation intervals, and a binding price quote.

7.7 Unless Sprint agrees otherwise, all proposed prices shall be the pricing principles of this Agreement, in accordance with the Act, and any applicable FCC and Commission rules and regulations. Payments for services purchased under a Bona Fide Request will be made as specified in this Agreement, unless otherwise agreed to by Sprint.

7.8 Within thirty (30) days after receiving the firm Bona Fide Request quote from BellSouth, Sprint will notify BellSouth in writing of its acceptance or rejection of BellSouth's proposal. If at any time an agreement cannot be reached as to the terms and conditions or price of the request, or if BellSouth responds that it cannot or will not offer the requested item in the Bona Fide Request and Sprint deems the item essential to its business operations, and deems BellSouth's position to be inconsistent with the Act, FCC or Commission regulations and/or the requirements of this Agreement, the dispute may be resolved pursuant to Section 14 of the General Terms and Conditions of this Agreement.

8. Court Ordered Requests for Call Detail Records and Other Subscriber Information

To the extent technically feasible, BellSouth maintains call detail records for Sprint end users for limited time periods and can respond to subpoenas and court ordered requests for this information. BellSouth shall maintain such information for Sprint end users for the same length of time it maintains such information for its own end users.

8.1 Sprint agrees that BellSouth will respond to subpoenas and court ordered requests delivered directly to BellSouth for the purpose of providing call detail records when the targeted telephone numbers belong to Sprint end users. Billing for such requests will be generated by BellSouth and directed to the law enforcement agency initiating the request.

8.2 Sprint agrees that in cases where Sprint receives subpoenas or court ordered requests for call detail records for targeted telephone numbers belonging to Sprint end users, Sprint will advise the law enforcement agency initiating the request to redirect the subpoena or court ordered request to BellSouth. Billing for call detail information will be generated by BellSouth and directed to the law enforcement agency initiating the request.

8.3 In cases where the timing of the response to the law enforcement agency prohibits Sprint from having the subpoena or court ordered request redirected to BellSouth by the law enforcement agency, Sprint will furnish the official request to BellSouth for providing the call detail information. BellSouth will provide the call detail records to Sprint and bill Sprint for the information. Sprint agrees to reimburse BellSouth for the call detail information provided.

8.4 Sprint will provide Sprint end user and/or other customer information that is available to Sprint in response to subpoenas and court orders for their own customer records. BellSouth will redirect subpoenas and court ordered requests for Sprint end user and/or other customer information to Sprint for the purpose of providing this information to the law enforcement agency.

9. Liability and Indemnification

9.1 Liabilities of BellSouth. Unless expressly stated otherwise in this Agreement, the liability of BellSouth to Sprint resulting from any and all causes shall not exceed the amounts owing Sprint under the agreement in total.

9.2 Liabilities of Sprint. Unless expressly stated otherwise in this Agreement, the liability of Sprint to BellSouth resulting from any and all causes shall not exceed the amounts owing BellSouth under the agreement in total.

9.3 Each Party shall, to the greatest extent permitted by Applicable Law, include in its local switched service tariff (if it files one in a particular state) or in any state where it does not file a local service tariff, in an appropriate contract with its customers that relates to the Services and Elements provided under this Agreement, a limitation of liability (i) that covers the other Party to the same extent the first Party covers itself and (ii) that limits the amount of damages a customer may recover to the amount charged the applicable customer for the service that gave rise to such loss.

9.4 No Consequential Damages. Neither Sprint nor BellSouth shall be liable to the other Party for any indirect, incidental, consequential, reliance, or special damages suffered by such other Party (including without limitation damages for harm to business, lost revenues, lost savings, or lost profits suffered by such other parties (collectively, "Consequential Damages")), regardless of the form of action, whether in contract, warranty, strict liability, or tort, including without limitation negligence of any kind whether active or passive, and regardless of whether the parties knew of the possibility that such damages could result. Each Party hereby releases the other Party and such other Party's subsidiaries and affiliates, and their respective officers, directors, employees and agents from any such claim for consequential damages. Nothing contained in this section shall limit BellSouth's or Sprint's liability to the other for actual damages resulting from (i) willful or intentional misconduct (including gross negligence); (ii) bodily injury, death or damage to tangible real or tangible personal property caused by BellSouth's or Sprint's negligent act or omission or that of their respective agents, subcontractors or employees, nor shall anything contained in this section limit the parties' indemnification obligations as specified herein.

9.5 Obligation to Indemnify and Defend. Each Party shall, and hereby agrees to, defend at the other's request, indemnify and hold harmless the other Party and each of its officers, directors, employees and agents (each, an "Indemnitee") against and in respect of any loss, debt, liability, damage, obligation, claim, demand, judgment or settlement of any nature or kind, known or unknown, liquidated or unliquidated, including without limitation all reasonable costs and expenses incurred (legal, accounting or otherwise) (collectively, "Damages") arising out of, resulting from or based upon any pending or threatened claim, action, proceeding or suit by any third Party ("a Claim") (i) alleging any breach of any representation, warranty or covenant made by such indemnifying Party (the "Indemnifying Party") in this Agreement, (ii) based upon injuries or damage to any person or property or the environment arising out of or in connection with this Agreement that are the result of the Indemnifying Party's actions, breach of Applicable Law, or status of its employees, agents and subcontractors, or (iii) for actual or alleged infringement of any patent, copyright, trademark, service mark, trade name, trade dress, trade secret or any other intellectual property right, now known or later developed (referred to as "Intellectual Property Rights") to the extent that such claim or action arises from Sprint or Sprint's Customer's use of the Services and Elements provided under this Agreement.

9.6 Defense; Notice; Cooperation. Whenever the Indemnitee knows or should have known of a claim arising for indemnification under this Section 9, it shall promptly notify the Indemnifying Party of the claim in writing within 30 calendar days and request the Indemnifying Party to defend the same. Failure to so notify the Indemnifying Party shall not relieve the Indemnifying Party of any liability that the Indemnifying Party might have, except to the extent that such failure prejudices the Indemnifying Party's ability to defend such Claim. The Indemnifying Party shall have the right to defend against such liability or assertion in which event the Indemnifying Party shall give written notice to the Indemnitee of acceptance of the defense of such Claim and the identity of counsel selected by the Indemnifying Party. Except as set forth below, such notice to the relevant Indemnitee shall give the Indemnifying Party full authority to defend, adjust, compromise or settle such Claim with respect to which such notice shall have been given, except to the extent that any compromise or settlement shall prejudice the Intellectual Property Rights of the relevant Indemnitees. The Indemnifying Party shall consult with the relevant Indemnitee prior to any compromise or settlement that would affect the Intellectual Property Rights or other rights of any Indemnitee, and the relevant Indemnitee shall have the right to refuse such compromise or settlement and, at the refusing Party's or refusing Parties' cost, to take over such defense, provided that in such event the Indemnifying Party shall not be responsible for, nor shall it be obligated to indemnify the relevant Indemnitee against, any cost or liability in excess of such refused compromise or settlement. With respect to any defense accepted by the Indemnifying Party, the relevant Indemnitee shall be entitled to participate with the Indemnifying Party in such defense if the Claim requests equitable relief or other relief that could affect the rights of the Indemnitee and also

shall be entitled to employ separate counsel for such defense at such Indemnitee's expense. In the event the Indemnifying Party does not accept the defense of any indemnified Claim as provided above, the relevant Indemnitee shall have the right to employ counsel for such defense at the expense of the Indemnifying Party. Each Party agrees to cooperate and to cause its employees and agents to cooperate with the other Party in the defense of any such Claim and the relevant records of each Party shall be available to the other Party with respect to any such defense.

10. Intellectual Property Rights and Indemnification

10.1 No License. No patent, copyright, trademark or other proprietary right is licensed, granted or otherwise transferred by this Agreement. Unless otherwise mutually agreed upon, neither Party shall publish or use the other Party's logo, trademark, service mark, name, language, pictures, or symbols or words from which the other Party's name may reasonably be inferred or implied in any product, service, advertisement, promotion, or any other publicity matter, except that nothing in this paragraph shall prohibit a Party from engaging in valid comparative advertising. This paragraph 10.1 shall confer no rights on a Party to the service marks, trademarks and trade names owned or used in connection with services by the other Party or its Affiliates, except as expressly permitted by the other Party.

10.2 Ownership of Intellectual Property. Any intellectual property which originates from or is developed by a Party shall remain in the exclusive ownership of that Party. Except for a limited license to use patents or copyrights to the extent necessary for the Parties to use any facilities or equipment (including software) or to receive any service solely as provided under this Agreement, no license in patent, copyright, trademark or trade secret, or other proprietary or intellectual property right now or hereafter owned, controlled or licensable by a Party, is granted to the other Party or shall be implied or arise by estoppel. It is the responsibility of each Party to ensure at no additional cost to the other Party that it has obtained any necessary licenses in relation to intellectual property of third Parties used in its network that may be required to enable the other Party to use any facilities or equipment (including software), to receive any service, or to perform its respective obligations under this Agreement.

10.3 Indemnification. The Party providing a service pursuant to this Agreement will defend the Party receiving such service or data provided as a result of such service against claims of infringement arising solely from the use by the receiving Party of such service and will indemnify the receiving Party for any damages awarded based solely on such claims in accordance with Section 9 of this Agreement.

10.4 Claim of Infringement. In the event that use of any facilities or equipment (including software), becomes, or in reasonable judgment of the Party who owns

the affected network is likely to become, the subject of a claim, action, suit, or proceeding based on intellectual property infringement, then said Party shall promptly and at its sole expense:

(a) modify or replace the applicable facilities or equipment (including software) while maintaining form and function, or

(b) obtain a license sufficient to allow such use to continue.

In the event (a) or (b) are commercially unreasonable, then said Party may, terminate, upon reasonable notice, this contract with respect to use of, or services provided through use of, the affected facilities or equipment (including software), but solely to the extent required to avoid the infringement claim.

10.5 Exception to Obligations. Neither Party's obligations under this Section shall apply to the extent the infringement is caused by: (i) modification of the facilities or equipment (including software) by the indemnitee; (ii) use by the indemnitee of the facilities or equipment (including software) in combination with equipment or facilities (including software) not provided or authorized by the indemnitor provided the facilities or equipment (including software) would not be infringing if used alone; (iii) conformance to specifications of the indemnitee which would necessarily result in infringement; or (iv) continued use by the indemnitee of the affected facilities or equipment (including software) after being placed on notice to discontinue use as set forth herein.

10.6 Exclusive Remedy. The foregoing shall constitute the Parties' sole and exclusive remedies and obligations with respect to a third party claim of intellectual property infringement arising out of the conduct of business under this Agreement.

11. Treatment of Proprietary and Confidential Information

11.1 Proprietary and Confidential Information: Defined. It may be necessary for BellSouth and Sprint, each as the "Discloser," to provide to the other party, as "Recipient," certain proprietary and confidential information (including trade secret information), including but not limited to technical, financial, marketing, staffing and business plans and information, strategic information, proposals, requests for proposals, specifications, drawings, prices, costs, procedures, processes, business systems, software programs, techniques, customer account data, call detail records and like information (collectively the "Discloser's Confidential Information"). All Discloser's Confidential Information shall be provided to Recipient in written or other tangible or electronic form, clearly marked with a confidential and proprietary notice. Discloser's Confidential Information orally or visually provided

to Recipient must be designated by Discloser as confidential and proprietary at the time of such disclosure.

11.2 Use and Protection of Disclosers Confidential Information. Recipient shall use the Discloser's Confidential Information solely for the purpose(s) of performing this Agreement, and Recipient shall protect Discloser's Confidential Information from any use, distribution or disclosure except as permitted hereunder. Recipient will use the same standard of care to protect Discloser's Confidential Information as Recipient uses to protect its own similar confidential and proprietary information, but not less than a reasonable standard of care. Recipient may disclose Discloser's Confidential Information solely to the Authorized Representatives of the Recipient who (a) have a substantive need to know such Discloser's Confidential Information in connection with performance of the Agreement; (b) have been advised of the confidential and proprietary nature of the Discloser's Confidential Information; and (c) have personally acknowledged the need to protect from unauthorized disclosure all confidential and proprietary information, of whatever source, to which they have access in the course of their employment. "Authorized Representatives" are the officers, directors and employees of Recipient and its Affiliates, as well as Recipient's and its Affiliates' consultants, contractors, counsel and agents.

11.3 Ownership, Copying and Return of Discloser's Confidential Information. Discloser's Confidential Information remains at all times the property of Discloser. Recipient may make tangible or electronic copies, notes, summaries or extracts of Discloser's Confidential Information only as necessary for use as authorized herein. All such tangible or electronic copies, notes, summaries or extracts must be marked with the same confidential and proprietary notice as appears on the original. Upon Discloser's request, all or any requested portion of the Discloser's Confidential Information (including, but not limited to, tangible and electronic copies, notes, summaries or extracts of any Discloser's Confidential Information) will be promptly returned to Discloser or destroyed, and Recipient will provide Discloser with written certification stating that such Discloser's Confidential Information has been returned or destroyed.

11.4 Exceptions. Discloser's Confidential Information does not include: (a) any information publicly disclosed by Discloser; (b) any information Discloser in writing authorizes Recipient to disclose without restriction; (c) any information already lawfully known to Recipient at the time it is disclosed by Discloser, without an obligation to keep it confidential; or (d) any information Recipient lawfully obtains from any source other than Discloser, provided that such source lawfully disclosed and/or independently developed such information. If Recipient is required to provide Discloser's Confidential Information to any court or government agency pursuant to written court order, subpoena, regulation or process of law, Recipient must first provide Discloser with prompt written notice of such requirement and cooperate with Discloser to appropriately protect against

or limit the scope of such disclosure. To the fullest extent permitted by law, Recipient will continue to protect as confidential and proprietary all Discloser's Confidential Information disclosed in response to a written court order, subpoena, regulation or process of law.

11.5 Equitable Relief. Recipient acknowledges and agrees that any breach or threatened breach of this Section is likely to cause Discloser irreparable harm for which money damages may not be an appropriate or sufficient remedy. Recipient therefore agrees that Discloser or its Affiliates, as the case may be, are entitled to receive injunctive or other equitable relief to remedy or prevent any breach or threatened breach of this Agreement. Such remedy is not the exclusive remedy for any breach or threatened breach of this Agreement, but is in addition to all other rights and remedies available at law or in equity.

11.6 Survival of Confidentiality Obligations. The parties' obligations under this Section 11 shall survive and continue in effect until two (2) years after the expiration or termination date of this Agreement with regard to all Discloser's Confidential Information exchanged during the term of this Agreement but in no event longer than 3 years from receipt of such information. Thereafter, the parties' obligations hereunder survive and continue in effect with respect to any Discloser's Confidential Information that is a trade secret under applicable law.

11.7 Except as other wise expressly provided in this Section, nothing herein shall be construed as limiting the rights of either Party with respect to its customer information under any applicable law, including without limitation Section 222 of the Act.

11.8 BellSouth shall not use proprietary carrier information pursuant to Section 222 (b) of the Act received from Sprint for purposes of soliciting or winning back Sprint's customers.

11.9 Sprint shall not use proprietary carrier information pursuant to Section 222 (b) of the Act received from BellSouth for purposes of soliciting or winning back BellSouth's customers.

11.10 Nothing herein shall prohibit Recipient from providing Information requested by the FCC or a state regulatory agency with jurisdiction over this matter to support a request for arbitration or an allegation of failure to negotiate in good faith.

12. Publicity

12.1 Neither Party shall produce, publish, or distribute any press release or other publicity referring to the other Party or its Affiliates, or to this Agreement, without the prior written approval of the other Party. Each party shall obtain the other Party's prior approval before discussing this Agreement in any press or media interviews. In no event shall either Party intentionally mischaracterize the contents of this Agreement in any public statement or in any representation to a governmental entity or member thereof.

13. Assignments

Sprint may not assign or transfer (whether by operation of law or otherwise) this Agreement, or any rights or obligations hereunder, to a third person without the prior written consent of BellSouth, provided that Sprint may assign or transfer this Agreement with notice, but without the prior written consent of BellSouth, to any entity that is certified as a Competitive Local Exchange Carrier by the relevant state regulatory Commission or is otherwise authorized by the commission or licensed Commercial Mobile Radio Service provider to provide local exchange services.

BellSouth may not assign or transfer (whether by operation of law or otherwise) this Agreement, or any rights or obligations hereunder, to a third person without the prior written consent of Sprint, provided that BellSouth may assign or transfer this Agreement with notice, but without the prior written consent of Sprint, to any entity provided such entity, is and shall be, for the remainder of the term of this Agreement, a successor or assign of BellSouth pursuant to § 251 (h) (1) of the Act, subject to all of the same §§ 251 and 252 obligations as BellSouth.

If during the Term of this Agreement, BellSouth sells, assigns or otherwise transfers any ILEC Territory or ILEC Assets to a person other than an Affiliate or subsidiary, BellSouth shall provide Sprint not less than ninety (90) days prior written notice of such sale, assignment or transfer. Upon the consummation of such sale, assignment or transfer, Sprint acknowledges that BellSouth shall have no further obligations under this Agreement with respect to the ILEC Territories and/or ILEC Assets subject to such sale, assignment or transfer, and that Sprint must establish its own Section 251 and 252 arrangement with the successor to such ILEC Territory and/or ILEC Assets.

14. Resolution of Disputes

Except as otherwise stated in this Agreement, the Parties agree that if any dispute arises as to the interpretation of any provision of this Agreement or as to the proper implementation of this Agreement, either Party may petition the Commission for a resolution of the dispute. Either Party may seek expedited

resolution by the Commission, and shall request that resolution occur in no event later than sixty (60) days from the date of submission of such dispute. The other Party will not object to such expedited resolution of a dispute. If the Commission appoints an expert(s) or other facilitator(s) to assist in its decision making, each party shall pay half of the fees and expenses so incurred. Until the dispute is finally resolved, each Party shall continue to perform its obligations under this Agreement and shall continue to provide all services and payments as prior to the dispute provided however, that neither Party shall be required to act in any unlawful fashion. This provision shall not preclude the Parties from seeking other legal remedies.

15. Taxes

15.1 Definition. For purposes of this Section, the terms "taxes" and "fees" shall include but not be limited to federal, state or local sales, use, excise, gross receipts or other taxes or tax-like fees of whatever nature and however designated (including tariff surcharges and any fees, charges or other payments, contractual or otherwise, for the use of public streets or rights of way, whether designated as franchise fees or otherwise) imposed on, or sought to be imposed on, either of the Parties and measured by the charges or payments, for the services furnished hereunder, excluding any taxes levied on income.

15.2 Taxes and Fees Imposed Directly On Either Providing Party or Purchasing Party.

15.2.1 Taxes and fees imposed on the providing Party, which are neither permitted nor required to be passed on by the providing Party to its customer, shall be borne and paid by the providing Party.

15.2.2 Taxes and fees imposed on the purchasing Party, which are not required to be collected and/or remitted by the providing Party, shall be borne and paid by the purchasing Party.

15.3 Taxes and Fees Imposed on Purchasing Party But Collected And Remitted By Providing Party.

15.3.1 Taxes and fees imposed on the purchasing Party shall be borne by the purchasing Party, even if the obligation to collect and/or remit such taxes or fees is placed on the providing Party.

15.3.2 To the extent permitted by applicable law, any such taxes and/or fees shall be shown as separate items on applicable billing documents between the Parties. Notwithstanding the foregoing, the purchasing Party shall remain liable for any such taxes and fees regardless of whether they are actually billed by the providing Party at the time that the respective service is billed.

15.3.3 If the purchasing Party determines that in its opinion any such taxes or fees are not lawfully due, the providing Party shall not bill such taxes or fees to the purchasing Party if the purchasing Party provides written certification, reasonably satisfactory to the providing Party, stating that it is exempt or otherwise not subject to the tax or fee, setting forth the basis therefor, and satisfying any other requirements under applicable law. If any authority seeks to collect any such tax or fee that the purchasing Party has determined and certified not to be lawfully due, or any such tax or fee that was not billed by the providing Party, the purchasing Party may contest the same in good faith, at its own expense. In the event that such contest must be pursued in the name of the providing Party, the providing Party shall permit the purchasing Party to pursue the contest in the name of providing Party and the providing Party shall have the opportunity to participate fully in the preparation of such contest. In any such contest, the purchasing Party shall promptly furnish the providing Party with copies of all filings in any proceeding, protest, or legal challenge, all rulings issued in connection therewith, and all correspondence between the purchasing Party and the taxing authority.

15.3.4 In the event that all or any portion of an amount sought to be collected must be paid in order to contest the imposition of any such tax or fee, or to avoid the existence of a lien on the assets of the providing Party during the pendency of such contest, the purchasing Party shall be responsible for such payment and shall be entitled to the benefit of any refund or recovery.

15.3.5 If it is ultimately determined that any additional amount of such a tax or fee is due to the imposing authority, the purchasing Party shall pay such additional amount, including any interest and penalties thereon.

15.3.6 Notwithstanding any provision to the contrary, the purchasing Party shall protect, indemnify and hold harmless (and defend at the purchasing Party's expense) the providing Party from and against any such tax or fee, interest or penalties thereon, or other charges or payable expenses (including reasonable attorney fees) with respect thereto, which are reasonably and necessarily incurred by the providing Party in connection with any claim for or contest of any such tax or fee.

15.3.7 Each Party shall notify the other Party in writing of any assessment, proposed assessment or other claim for any additional amount of such a tax or fee by a taxing authority; such notice to be provided, if possible, at least ten (10) days prior to the date by which a response, protest or other appeal must be filed, but in no event later than thirty (30) days after receipt of such assessment, proposed assessment or claim.

15.4 Taxes and Fees Imposed on Seller But Passed On To Purchasing Party.

15.4.1 Taxes and fees imposed on the providing Party, which are permitted or required to be passed on by the providing Party to its customer, shall be borne by the purchasing Party.

15.4.2 To the extent permitted by applicable law, any such taxes and/or fees shall be shown as separate items on applicable billing documents between the Parties. Notwithstanding the foregoing, the purchasing Party shall remain liable for any such taxes and fees regardless of whether they are actually billed by the providing Party at the time that the respective service is billed.

15.4.3 If the purchasing Party disagrees with the providing Party's determination as to the application or basis for any such tax or fee, the Parties shall consult with respect to the imposition and billing of such tax or fee and with respect to whether to contest the imposition of such tax or fee. Notwithstanding the foregoing, the providing Party shall retain responsibility for determining whether and to what extent any such taxes or fees are applicable. The providing Party shall further retain responsibility for determining whether and how to contest the imposition of such taxes or fees; provided, however, the Parties agree to consult in good faith as to such contest and that any such contest undertaken at the request of purchasing Party shall be at the purchasing Party's expense. In the event that such contest must be pursued in the name of the providing Party, providing Party shall permit purchasing Party to pursue the contest in the name of providing Party and the providing Party shall have the opportunity to participate fully in the preparation of such contest.

15.4.4 If, after consultation in accordance with the preceding Section, the purchasing Party does not agree with the providing Party's final determination as to the application or basis of a particular tax or fee, and if the providing Party, after receipt of a written request by the purchasing Party to contest the imposition of such tax or fee with the imposing authority, fails or refuses to pursue such contest or to allow such contest by the purchasing Party, the purchasing Party may utilize the procedures in Section 14 of the General Terms and Conditions of this Agreement. Utilization of the dispute resolution process shall not relieve the purchasing Party from liability for any tax or fee billed by the providing Party pursuant to this subsection during the pendency of such dispute resolution proceeding. In the event that the purchasing Party prevails in such dispute resolution proceeding, it shall be entitled to a refund in accordance with the final decision therein. Notwithstanding the foregoing, if at any time prior to a final decision in such dispute resolution proceeding the providing Party initiates a contest with the imposing authority with respect to any of the issues involved in such dispute resolution proceeding, the dispute resolution proceeding shall be dismissed as to such common issues and the final decision rendered in the contest with the imposing authority shall control as to such issues.

15.4.5 In the event that all or any portion of an amount sought to be collected must be paid in order to contest the imposition of any such tax or fee with the imposing authority, or to avoid the existence of a lien on the assets of the providing Party during the pendency of such contest, the purchasing Party shall be responsible for such payment and shall be entitled to the benefit of any refund or recovery.

15.4.6 If it is ultimately determined that any additional amount of such a tax or fee is due to the imposing authority, the purchasing Party shall pay such additional amount, including any interest and penalties thereon.

15.4.7 Notwithstanding any provision to the contrary, the purchasing Party shall protect indemnify and hold harmless (and defend at the purchasing Party's expense) the providing Party from and against any such tax or fee, interest or penalties thereon, or other reasonable charges or payable expenses (including reasonable attorney fees) with respect thereto, which are incurred by the providing Party in connection with any claim for or contest of any such tax or fee.

15.4.8 Each Party shall notify the other Party in writing of any assessment, proposed assessment or other claim for any additional amount of such a tax or fee by a taxing authority; such notice to be provided, if possible, at least ten (10) days prior to the date by which a response, protest or other appeal must be filed, but in no event later than thirty (30) days after receipt of such assessment, proposed assessment or claim.

15.9 Mutual Cooperation. In any contest of a tax or fee by one Party, the other Party shall cooperate fully by providing records, testimony and such additional information or assistance as may reasonably be necessary to pursue the contest. Further, the other Party shall be reimbursed for any reasonable and necessary out-of-pocket copying and travel expenses incurred in assisting in such contest. Each Party agrees to indemnify and hold harmless the other Party from and against any losses, damages, claims, demands, suits, liabilities and expenses, including reasonable attorney's fees, that arise out of its failure to perform its obligations under this section.

16. Force Majeure

In the event performance of this Agreement, or any obligation hereunder, is either directly or indirectly prevented, restricted, or interfered with by reason of fire flood, earthquake or like acts of God, wars, revolution, riots, insurrections, explosion, terrorists acts, nuclear accidents, power blackouts, embargo, acts of the government in its sovereign capacity, labor difficulties, including without limitation, strikes, slowdowns, picketing, or boycotts, unavailability of equipment from vendor, or any other circumstances beyond the reasonable control and without the fault or negligence of the Party affected, the Party affected, upon

giving prompt notice to the other Party, shall be excused from such performance on a day-to-day basis to the extent of such prevention, restriction, or interference (and the other Party shall likewise be excused from performance of its obligations on a day-to-day basis until the delay, restriction or interference has ceased); provided however, that the Party so affected shall use diligent efforts to avoid or remove such causes of non-performance and both Parties shall proceed whenever such causes are removed or cease.

17. Most Favored Nations (MFN)

17.1 BellSouth shall make available, pursuant to 47 USC § 252 and the FCC rules and regulations regarding such availability, to Sprint any interconnection, service, or network element provided under any other agreement filed and approved pursuant to 47 USC § 252. The Parties shall adopt all rates, terms and conditions concerning such other interconnection, service or network element and any other rates, terms and conditions that are interrelated or were negotiated in exchange for or in conjunction with the interconnection, service or network element being adopted. The adopted interconnection, service, or network element and agreement shall apply to the same states as such other agreement and for the identical term of such other agreement.

18. Modification of Agreement

18.1 No modification, amendment, supplement to, or waiver of the Agreement or any of its provisions shall be effective unless it is made in writing and duly signed by the Parties.

18.2 If Sprint changes its name or makes changes to its company structure or identity due to a merger, acquisition, transfer or any other reason, it is the responsibility of Sprint to notify BellSouth of said change and request that an amendment to this Agreement, if necessary, be executed to reflect said change.

18.3 Execution of this Agreement by either Party does not confirm or infer that the executing Party agrees with any decision(s) issued pursuant to the Telecommunications Act of 1996 and the consequences of those decisions on specific language in this Agreement. Neither Party waives its rights to appeal or otherwise challenge any such decision(s) and each Party reserves all of its rights to pursue any and all legal and/or equitable remedies, including appeals of any such decision(s).

18.4 Upon the effective date of any legislative, regulatory, judicial or other legal action that materially affects any material terms of this Agreement, or the ability of Sprint or BellSouth to perform any material terms of this Agreement, Sprint or BellSouth may, on thirty (30) days' written notice require that such terms be renegotiated, and the Parties shall renegotiate in good faith such mutually acceptable new terms as may be required. Any rates, terms or conditions thus developed or modified shall be substituted in place of those previously in effect and shall be deemed to have been effective under

this Agreement as of the effective date of the order by the court, Commission or FCC, whether such action was commenced before or after the effective date of this Agreement. In the event that such new terms are not renegotiated within ninety (90) days after such notice, the Dispute shall be referred to the Dispute Resolution procedure set forth in Section 14.

18.4.1 This Agreement shall be amended to incorporate effective orders issued upon remand by the Supreme Court in "Verizon Communications, Inc., et al. v. FCC", Nos 00-511 et al (U.S. May 13, 2002).

18.5 If any provision of this Agreement, or the application of such provision to either Party or circumstance, shall be held invalid, the remainder of the Agreement, or the application of any such provision to the Parties or circumstances other than those to which it is held invalid, shall not be affected thereby, provided that the Parties shall attempt to reformulate such invalid provision to give effect to such portions thereof as may be valid without defeating the intent of such provision.

18.6 To the extent the BFR process set forth herein does not apply, upon delivery of written notice of at least thirty (30) days, either Party may request negotiations of the rates, prices and charges, terms, and conditions not now covered by this Agreement.

18.7 Nothing in this Agreement shall preclude Sprint from purchasing any services or facilities under any applicable and effective BellSouth tariff. Each party hereby incorporates by reference those provisions of its tariffs that govern the provision of any of the services or facilities provided hereunder. In the event of a conflict between a provision of this Agreement and a provision of an applicable tariff, the Parties agree to negotiate in good faith to attempt to reconcile and resolve such conflict. If any provisions of this Agreement and an applicable tariff cannot be reasonably construed or interpreted to avoid conflict, and the Parties cannot resolve such conflict through negotiation, such conflict shall be resolved as follows:

18.7.1 Unless otherwise provided herein, if the service or facility is ordered from the tariff, the terms and conditions of the tariff shall prevail.

18.7.2 If the service is ordered from this Agreement (other than resale), and the Agreement expressly references a term, condition or rate of a tariff, such term, condition or rate of the tariff shall prevail.

18.7.3 If the service is ordered from this Agreement, and the Agreement references the tariff for purposes of the rate only, then to the extent of a conflict as to the terms and conditions in the tariff and any terms and conditions of this Agreement, the terms and conditions of this Agreement shall prevail.

18.7.4 If the service is a resale service, the terms and conditions of the Agreement shall prevail.

18.8 The Parties intend that any additional services agreed to by both Parties relating to the subject matter of this Agreement will be incorporated into this Agreement by amendment.

19. Waivers

A failure or delay of either Party to enforce any of the provisions hereof, to exercise any option which is herein provided, or to require performance of any of the provisions hereof shall in no way be construed to be a waiver of such provisions or options, and each Party, notwithstanding such failure, shall have the right thereafter to insist upon the specific performance of any and all of the provisions of this Agreement.

20. Governing Law

This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State in which the services are being ordered, without regard to its conflict of laws principles.

21. Audits and Examinations

21.1 Unless or until such time as a billing accuracy certification program has been implemented pursuant to Section 3 of Attachment 7, the audit process provided in this Section 21.1 shall apply.

21.1.1 Subject to BellSouth's reasonable security requirements and except as may be otherwise specifically provided in this Agreement, Sprint may audit BellSouth's books, records and other documents once in each 12 month period for the purpose of evaluating the accuracy of BellSouth's billing and invoicing. Such audit may include examination of the flow of call detail records from BellSouth's switch to BellSouth's internal systems to the usage file transmitted to Sprint. Sprint may employ other persons or firms for this purpose. Such audit shall take place at a time and place agreed on by the Parties no later than sixty (60) days after notice thereof to BellSouth.

21.1.2 BellSouth shall promptly correct any billing error that is revealed in an audit, including making refund of any overpayment by Sprint in the form of a credit on the invoice for the first full billing cycle after the Parties have agreed upon the accuracy of the audit results. Any disputes concerning audit results shall be resolved pursuant to the procedures described in Section 14, Resolution of Disputes, of the General Terms and Conditions of this Agreement.

21.1.3 BellSouth shall cooperate fully in any such audit, providing reasonable access to any and all appropriate BellSouth employees and books, records and other documents reasonably necessary to assess the accuracy of BellSouth's bills.

21.1.4 Third party audits requested by Sprint shall be at Sprint's expense, subject to reimbursement by BellSouth in the event that an audit finds an adjustment in the charges or in any invoice paid or payable by Sprint hereunder by an amount that is, on an annualized basis, greater than two percent (2%) of the aggregate charges for the Services and Elements during the period covered by the audit. In the event the audit is not conducted by a third party, each Party shall bear its own expense incurred in conducting the audit.

21.1.5 Upon (i) the discovery by BellSouth of overcharges not previously reimbursed to Sprint or (ii) the resolution of disputed audits, BellSouth shall promptly reimburse Sprint the amount of any overpayment times the highest interest rate (in decimal value) which may be levied by law for commercial transactions, compounded daily for the number of days from the date of overpayment to and including the date that payment is actually made. In no event, however, shall interest be assessed on any previously assessed or accrued late payment charges.

21.1.6 This Section shall survive expiration or termination of this Agreement for a period of two (2) years after expiration or termination of this Agreement.

22. Remedies

22.1 In addition to any other rights or remedies, and unless specifically provided here and to the contrary, either Party may sue in equity for specific performance, where authorized under applicable law.

22.2 Except as otherwise provided herein, all rights of termination, cancellation or other remedies prescribed in this Agreement, or otherwise available, are cumulative and are not intended to be exclusive of other remedies to which the injured Party may be entitled at law or equity in case of any breach or threatened breach by the other Party of any provision of this Agreement, and use of one or more remedies shall not bar use of any other remedy for the purpose of enforcing the provisions of this Agreement.

23. Branding

23.1 In all cases of operator and directory assistance services Sprint provides using services provided by BellSouth under this Agreement, BellSouth shall, where technically feasible, at Sprint's sole discretion and expense, brand any and all such services at all points of customer contact exclusively as Sprint services, or otherwise as Sprint may specify, or be provided with no brand at all, as Sprint shall

determine. If BellSouth cannot provide such branding of Operator Services and Directory Assistance, BellSouth shall unbrand for all, including itself.

23.2 Sprint shall provide the exclusive interface to Sprint subscribers, except as Sprint shall otherwise specify. In those instances where Sprint requests BellSouth personnel to interface with Sprint subscribers, such BellSouth personnel shall inform Sprint subscribers that they are representing Sprint, or such brand as Sprint may specify and shall not identify themselves as representing BellSouth.

23.3 The Parties agree that the services offered by Sprint that incorporate Services and Elements made available to Sprint pursuant to this Agreement shall be branded as Sprint services. All forms, business cards or other business materials furnished by BellSouth to Sprint customers shall be made available for Sprint's review. In no event shall BellSouth, acting on behalf of Sprint pursuant to this Agreement, provide information to Sprint local service customers about BellSouth products or services. For installation and repair services, BellSouth shall utilize generic leave behind material for Sprint customers that bears no corporate name, logo, trademark or trade name.

23.4 In no event shall BellSouth provide information to Sprint's subscribers about Sprint's products or services during installation, maintenance or repair visits.

23.5 BellSouth shall train its employees to meet its branding obligations and to provide service on a non-discriminatory basis.

24. Network Security

24.1 Protection of Service and Property

24.1 BellSouth shall exercise the same level of care it provides itself to prevent harm or damage to Sprint, its employees, agents or customers, or their property. BellSouth agrees to take reasonable and prudent steps to ensure the adequate protection of Sprint property located within BellSouth premises including, but not limited to:

24.1.1 BellSouth shall exercise the same level of care it provides itself to prevent harm or damage to Sprint, its employees, agents or customers, or their property. BellSouth agrees to take reasonable and prudent steps to ensure the adequate protection of Sprint property located within BellSouth premises including, but not limited to:

24.1.1.1 Restricting access to Sprint equipment, support equipment, systems, tools and data, or spaces which, contain or house Sprint equipment enclosures, to Sprint employees and other authorized non-Sprint personnel to the extent necessary to perform their specific job function.

24.1.1.2 Assuring that the physical security and the means of ingress and admission to spaces that house Sprint equipment or equipment enclosures are equal to or exceed those provided for BellSouth pursuant to BellSouth Admissions Practices.

24.1.1.3 Limiting the keys used in its keying systems for spaces which contain or house Sprint equipment or equipment enclosures to its employees and representatives for emergency access only. Sprint shall further have the right to change locks on all spaces where deemed necessary for the protection and security of such spaces. In such an event, Sprint shall provide BellSouth with replacement keys.

24.1.1.4 Insuring that doors that provide access to Sprint equipment enclosures are equipped to protect against removal of hinge pins.

24.1.1.5 Installing controls and logical security:

- to disconnect a user for a pre-determined period of inactivity on authorized ports;
- to protect customer proprietary information; and
- to databases to ensure both ongoing operational and update integrity.
- to assure that all approved system and modem access be secured through security servers and that access to or connection with a network element shall be established through a secure network or security gateway.
- to provide security in accordance with BellSouth BSP 008-140-230BT (Design, Development, Maintenance and Administration Security Standards for Network Elements, Network Element Support Systems, and other Computer Systems.)

24.2 Revenue Protection

24.2.1 Where BellSouth services are being resold and where Sprint is using a BellSouth port, Sprint will have the use of all present and future fraud prevention or revenue protection features, including prevention, detection, or control functionality embedded within any of the network elements available to BellSouth. These features include, but are not limited to, screening codes, call blocking of international, 800, 900 and 976 numbers. Sprint and BellSouth will work cooperatively to prevent and research any fraud situation.

24.2.2 The party causing a provisioning, maintenance or signal network routing error that results in uncollectible or unbillable revenues to the other party shall be liable for the amount of the revenues lost by the party unable to bill or collect the revenues. The process for determining the amount of the liability will be as set forth in Attachment 7 of this Agreement.

24.2.2.1 Uncollectible or unbillable revenues resulting from the accidental or malicious alternation of software underlying Network Elements or their subtending operational support systems by unauthorized third Parties shall be the responsibility of the Party having administrative control of access to said Network Element or operational support system software to the extent such unbillable or uncollectible revenue results

from the negligent or willful act or omission of the Party having such administrative control.

24.2.3 BellSouth shall be responsible for any uncollectible or unbillable revenues resulting from the unauthorized physical attachment to loop facilities from the Main Distribution Frame up to and including the Network Interface Device, including clip-on fraud to the extent such unbillable or uncollectible revenue results form the negligent or willful act or omission of BellSouth. BellSouth shall provide soft dial tone to allow only the completion of calls to final termination points required by law.

24.3 Law Enforcement Interface

24.3.1 BellSouth shall provide seven day a week/twenty-four hour a day installation and information retrieval pertaining to traps, assistance involving emergency traces and information retrieval on customer invoked CLASS services, including call traces requested by Sprint Security/Network services. BellSouth shall provide all necessary assistance to facilitate the execution of wiretap or dialed number recorder orders from law enforcement authorities.

25. Relationship of Parties

It is the intention of the Parties that BellSouth be an independent contractor and nothing contained herein shall constitute the Parties as joint ventures, partners, employees, or agents of one another, and neither party shall have the right or power to bind or obligate the other.

26. No Third Party Beneficiaries

The provisions of this Agreement are for the benefit of the Parties hereto and not for any other person. This Agreement shall not provide any person not a party hereto with any remedy, claim, liability, reimbursement, claim of action, or other right in excess of those existing without reference hereto.

27. Survival

Any provision of this Agreement or its Attachments, that by its nature should survive the expiration or termination of this Agreement, shall so survive.

28. Responsibility for Environmental Hazards

28.1 Sprint shall in no event be liable to BellSouth for any costs whatsoever resulting from the presence or release of any Environmental Hazard that Sprint did not cause or introduce to the affected work location. BellSouth hereby releases, and shall also indemnify, defend (at Sprint's request) and hold harmless Sprint and each of Sprint's officers, directors and employees from and against any losses and expenses that arise out of or result from (i) any Environmental Hazard that

BellSouth, its contractors, tenants, collocating 3rd parties or its agents introduce to the work locations or (ii) any other presence or release of any Environmental Hazard at any work location, except as provided in Section 28.2.

28.2 Prior to Sprint or its employees, contractors, or agents introducing an Environmental Hazard into a work location Sprint shall fully inform BellSouth in writing of its planned actions at such work location and shall receive BellSouth's written permission for such actions and Sprint warrants that it shall comply with all legal and regulatory obligations it has with respect to such Environmental Hazard and notices it is required to provide with respect thereto. BellSouth shall in no event be liable to Sprint for any costs whatsoever resulting from the presence or release of any Environmental Hazard that Sprint causes or introduces to the affected work location. Sprint shall indemnify, defend (at BellSouth's request) and hold harmless BellSouth and each of BellSouth's officers, directors and employees from and against any losses and expenses that arise out of or result from any Environmental Hazard that Sprint, its contractors or its agents cause or introduce to the work location. Sprint shall be responsible for obtaining, including payment of associated fees, all environmental permits, licenses and/or registrations required for Environmental Hazards Sprint causes or introduces to the affected work location.

28.3 In the event any suspect material within BellSouth-owned, operated or leased facilities are identified to be asbestos-containing, Sprint will notify BellSouth before commencing any activities and ensure that to the extent any activities which it undertakes in the facility disturb any asbestos-containing materials (ACM) or presumed asbestos containing materials (PACM) as defined in 29 CFR Section 1910.1001, such Sprint activities shall be undertaken in accordance with applicable local, state and federal environmental and health and safety statutes and regulations. Except for abatement activities undertaken by Sprint or equipment placement activities that result in the generation or disturbance of asbestos containing material, Sprint shall not have any responsibility for managing, nor be the owner of, nor have any liability for, or in connection with, any asbestos containing material. Both Parties agree to immediately notify the other if the Party undertakes any asbestos control or asbestos abatement activities that potentially could affect Sprint equipment or operations, including, but not limited to, contamination of equipment.

28.4 Within ten (10) business days of Sprint's request for any space in BellSouth owned or controlled facility, BellSouth shall provide any information in its possession regarding the known environmental conditions of the space provided for placement of equipment and interconnection including, but not limited to, the existence and condition of any and all known or suspected asbestos containing materials, lead paint, hazardous or regulated substances, or any evidence of radon. Information is

considered in BellSouth's possession under this Agreement if it is in the possession of an employee, agent, or authorized representative of BellSouth.

28.5 If the space provided for the placement of equipment, interconnection, or provision of service contains known environmental contamination or hazardous material, particularly but not limited to hazardous levels of friable asbestos, lead paint or hazardous levels of radon, which causes the placement of such equipment or interconnection to pose a threat to human health that cannot be properly remedied according to BellSouth procedures, BellSouth shall offer an alternative space, if available, for Sprint's consideration. If interconnection is complicated by the presence of environmental contamination or hazardous materials, and an alternative route is available, BellSouth shall make such alternative route available for Sprint's consideration.

28.6 Subject to this Section and to BellSouth's standard security procedures, which procedures will be provided to Sprint, BellSouth shall allow Sprint at Sprint's expense to perform any environmental site investigations, including, but not limited to, asbestos surveys, which Sprint deems to be necessary in support of its collocation needs.

28.7 The parties will comply with all additional environmental requirements stated in other sections of this agreement. In the event of a conflict between other such sections and this Section 28, this Section 28 shall control.

28.8 When used in the context of environmental hazards, **"Release"** means any release, spill, emission, leaking, pumping, injection, deposit, disposal, discharge, dispersal, leaching, or migration, including without limitation, the movement of Environmental Hazards through or in the air, soil, surface water or groundwater, or any action or omission that causes Environmental Hazards to spread or become more toxic or more expensive to investigate or remediate.

29. Notices

29.1 Every notice, consent, approval, or other communications required or contemplated by this Agreement shall be in writing and shall be delivered in person or given by postage prepaid mail, address to:

BellSouth Telecommunications, Inc.

CLEC Account Team
9th Floor
600 North 19th Street
Birmingham, Alabama 35203

and

General Attorney – Commercial Group
Suite 4300
675 W. Peachtree St.
Atlanta, GA 30375

Sprint Communications Company L.P.

W. Richard Morris
Vice President – State External Affairs
6450 Sprint Parkway
Mailstop KSOPHN0214
Overland Park, KS 66215

Sprint PCS

Sprint PCS
Attention: Legal Regulatory Department
Mailstop: KSOPHI0414
6160 Sprint Parkway, Bldg. 9
Overland Park, KS 66251

with a copy to:

Sprint PCS
Manager: Carrier Interconnection Management
Mailstop: KSOPAM 0101
11880 College Blvd.
Overland Park, KS 66210

or at such other address as the intended recipient previously shall have designated by written notice to the other Party.

29.2 Where specifically required, notices shall be by certified or registered mail. Unless otherwise provided in this Agreement, notice by mail shall be effective on the date it is officially recorded as delivered by return receipt or equivalent, and in the absence of such record of delivery, it shall be presumed to have been delivered the fifth day, or next business day after the fifth day, after it was deposited in the mails.

29.3 Changes in Retail Service

29.3.1 BellSouth shall notify Sprint electronically, by way of posting to the BellSouth interconnection web site, of any changes in the terms and conditions under which it

offers Telecommunications Services to subscribers who are nontelecommunications carriers, including, but not limited to, the introduction or discontinuance of any features, functions, services or promotions, at least 45 days prior to the effective date of any such change or concurrent with BellSouth's internal notification process for such change, whichever is earlier. Sprint recognizes that certain revisions may occur between the time BellSouth notifies Sprint of a change pursuant to this Section and either BellSouth's tariff filing of such change or tariff effective date. BellSouth shall notify Sprint of such revisions consistent with BellSouth's internal notification process but Sprint accepts the consequences of such mid-stream changes as an uncertainty of doing business and, therefore, will not hold BellSouth responsible for any resulting inconvenience or cost incurred by Sprint unless caused by the intentional misconduct of BellSouth for the purposes of this Section. The notification given pursuant to this Section will not be used by either party to market its offering of such changed services externally in advance of the BellSouth filing of any such changes.

29.3.2 BellSouth shall notify Sprint electronically of proposed price changes at least 30 days prior to the effective date of any such price change.

29.3.3 BellSouth shall use its interconnection web site to notify Sprint of any network changes within at least six (6) months before such changes are proposed to become effective and within twelve months for any technological changes. If such operational or technological changes occur within the six or twelve month notification period, BellSouth will notify Sprint of the changes concurrent with BellSouth's internal notification process for such changes.

29.4 BellSouth shall not discontinue any interconnection arrangement, Telecommunications Service, or Network Element or combination provided or required hereunder without providing Sprint forty-five (45) days' prior written notice of such discontinuation of such service, element or arrangement. BellSouth agrees to cooperate with Sprint with any transition resulting from such discontinuation of service and to minimize the impact to customers which may result from such discontinuance of service. If available, BellSouth will provide substitute services and elements.

29.5 BellSouth shall provide notice of network changes and upgrades in accordance with Sections 51.325 through 51.335 of Title 47 of the Code of Federal Regulations.

30. Rule of Construction

No rule of construction requiring interpretation against the drafting Party hereof shall apply in the interpretation of this Agreement.

31. Headings of No Force or Effect

The headings of Articles and Sections of this Agreement are for convenience of reference only, and shall in no way define, modify or restrict the meaning or interpretation of the terms or provisions of this Agreement.

32. Multiple Counterparts

This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which shall together constitute but one and the same document.

33. Implementation of Agreement

33.1 Within 60 days of the execution of this Agreement (or such other time period as the parties mutually agree upon) the Parties will adopt a schedule for the implementation of the Agreement. The schedule shall state with specificity time frames for submission of including but not limited to, network design, interconnection points, collocation arrangement requests, pre-sales testing and full operational time frames for the business and residential markets. An implementation template to be used for the implementation schedule is contained in Attachment 10 of this Agreement.

33.2 The Parties understand that the arrangements and provision of services described in this Agreement shall require technical and operational coordination between the Parties. The Parties further agree that it is not feasible for this Agreement to set forth each of the applicable and necessary procedures, guidelines, specifications, and standards that will promote the Parties provision of Telecommunications Services to their respective Customers. This Agreement will therefore address the overall standards of performance for services, processes, and systems capabilities that the Parties will provide to each other, and the intervals at which those services, processes and capabilities will be provided. The Parties agree to identify, develop, and document operational processes and procedures, supporting industry standards and guidelines in the development of business rules and software specifications, as well as negotiate and implement any additional terms and conditions necessary to support the terms and intent of this Agreement.

33.3 Existing BellSouth operating procedures and interface documentation shall be made available for Sprint's review within 30 days of execution of this agreement. The parties agree to negotiate any modifications to these procedures which may be required to support the terms and conditions of this Agreement. In the event that there are existing operations manuals, BellSouth informational or instructional web sites, documented change controls processes, or joint implementation plans, currently in place or previously negotiated by the parties, Sprint and BellSouth

agree that they will be reviewed for accuracy and validity under this Agreement and updated, modified, or replaced as necessary. BellSouth will advise Sprint of changes to the operating procedures and interface documentation on a mutually agreeable basis. The operating procedures and interface documentation shall address the following matters, and may include any other matters agreed upon by the Implementation Team:

33.3.1 the respective duties and responsibilities of the Parties with respect to the administration and maintenance of the interconnections (including signaling), including standards and procedures for notification and discoveries of trunk disconnects;

33.3.2 disaster recovery and escalation provisions;

33.3.3 access to Operations Support Systems functions provided hereunder, including gateways and interfaces;

33.3.4 escalation procedures for ordering, provisioning, billing, and maintenance;

33.3.5 single points of contact for ordering, provisioning, billing, and maintenance;

33.3.6 service ordering and provisioning procedures, including manual processes and provision of the trunks and facilities;

33.3.7 provisioning and maintenance support;

33.3.8 change control procedures for modifications to any and all points of interface, electronic or automated interfaces, as well as operational interface processes and procedures impacting on-going operation between the parties;

33.3.9 conditioning and provisioning of collocation space and maintenance of Virtually collocated equipment;

33.3.10 procedures and processes for Directories and Directory Listings;

33.3.11 billing processes and procedures;

33.3.12 network planning components including time intervals;

33.3.13 joint systems readiness and operational readiness plans;

33.3.14 appropriate testing of services, equipment, facilities and network elements;

33.3.15 monitoring of inter-company operational processes;

33.3.16 procedures for coordination of local PIC changes and processing;

33.3.17 physical and network security concerns; and

33.3.18 such other matters specifically referenced in this Agreement that are to be agreed upon by the Implementation Team and/or contained in the Implementation Plan.

33.4 The Implementation Plan may be modified from time to time as deemed appropriate by both parties.

34. Filing of Agreement

Upon execution of this Agreement it shall be filed with the appropriate state regulatory agency pursuant to the requirements of Section 252 of the Act. BellSouth and Sprint shall use their best efforts to obtain approval of this Agreement by any regulatory body having jurisdiction over this Agreement and to make any required tariff modifications in their respective tariffs, if any. In the event any governmental authority or agency rejects any provision hereof, the Parties shall negotiate promptly and in good faith make such revisions as may reasonably be required to achieve approval. If the regulatory agency imposes any filing or public interest notice fees regarding the filing or approval of the Agreement, Sprint shall be responsible for publishing the required notice and the publication and/or notice costs shall be borne by Sprint.

For electronic filling purposes in the State of Louisiana, the CLEC Louisiana Certification Number is required and must be provided by Sprint prior to filing of the Agreement. The CLEC Louisiana Certification Number for Sprint CLEC is TSP 00078.

35. Application of Attachments

This Agreement was negotiated between BellSouth, Sprint CLEC and Sprint PCS for the purpose of creating a single interconnection arrangement between BellSouth and Sprint. At the date of the signing of this Agreement, Sprint PCS has elected not to opt into the terms and conditions of the following Attachments: 1 Resale, 5 Access to Numbers, 6 Ordering and Provisioning, 9 Performance Measurements, and 11 Disaster Recovery. Should Sprint PCS desire to operate under the terms and conditions of those Attachments, prior to the expirations of the term of this Agreement, Sprint PCS and BellSouth shall negotiate an amendment to this Agreement.

36. Entire Agreement

This Agreement and its Attachments, incorporated herein by reference, sets forth the entire Agreement and supersedes prior agreements between the Parties relating

to the subject matter contained herein. Neither Party shall be bound by any definition, condition, provision, representation, warranty, covenant or promise other than as expressly stated in this Agreement or as is subsequently set forth in writing and duly signed by the Parties.

IN WITNESS WHEREOF, the Parties have executed this Agreement in duplicate on the day and year written below.

BellSouth Telecommunications, Inc.

Signature on File
Signature

Chris Boltz
Name

Managing Director
Title

6-28-02
Date

Sprint Communications Company Limited Partnership

Signature on File
Signature

W. Richard Morris
Name

Vice President-State External Affairs
Title

6-19-02
Date

Sprint Spectrum L.P.

Signature on File
Signature

Anthony G. Krueck
Name

Vice President–Engineering & Network Design
Title

6-26-02
Date

EXHIBIT PLF-2

Amendment to

Interconnection Agreement

between

Sprint Communications Company Limited Partnership
Sprint Communications Company L.P.
Sprint Spectrum, L.P.

and

BellSouth Telecommunications, Inc.

Dated January 1, 2001

Pursuant to this Amendment (the "Amendment") Sprint Communications Company Limited Partnership and Sprint Communications Company L.P., (collectively referred to as "Sprint CLEC"), a Delaware Limited Partnership, and Sprint Spectrum L.P., a Delaware limited partnership, as agent and General Partner for WirelessCo. L.P., a Delaware limited partnership, and SprintCom, Inc., a Kansas corporation, all foregoing entities jointly d/b/a Sprint PCS (Sprint PCS), and BellSouth Telecommunications, Inc. (BellSouth), a Georgia corporation, hereinafter referred to collectively as the "Parties" hereby agree to amend that certain Interconnection Agreement (the Agreement) between BellSouth and Sprint CLEC and Sprint PCS, (collectively referred to as "Sprint") dated January 1, 2001.

NOW THEREFORE, in consideration of the mutual provisions contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Sprint and BellSouth hereby covenant and agree as follows:

1. The Parties agree to delete Sections 2 and 3, General Terms and Conditions – Part A in their entirety and replace them with the following:

2. Term of the Agreement

2.1 The term of this Agreement shall be from the effective date as set forth above and shall expire as of June 30, 2004. Upon mutual agreement of the Parties, the term of this Agreement may be extended. If, as of the expiration of this Agreement, a Subsequent Agreement (as defined in Section 3.1 below) has not been executed by the Parties, this Agreement shall continue on a month-to-month basis.

3. Renewal

3.1 The Parties agree that by no later than one hundred and eighty (180) days prior to the expiration of this Agreement, they shall commence

negotiations for a new agreement to be effective beginning on the expiration date of this Agreement (Subsequent Agreement).

3.2 If, within one hundred and thirty-five (135) days of commencing the negotiation referred to in Section 3.1 above, the Parties are unable to negotiate new terms, conditions and prices for a Subsequent Agreement, either Party may petition the Commission to establish appropriate terms, conditions and prices for the Subsequent Agreement pursuant to 47 U.S.C. 252.

3.3 Notwithstanding the foregoing and except as set forth in Section 3.4 below, in the event that, as of the date of the expiration of this Agreement and conversion of this Agreement to a month-to-month term, the Parties have not entered into a Subsequent Agreement and no arbitration proceeding has been filed in accordance with Section 252 of the Act, or the Parties have not mutually agreed where permissible, to extend, then either Party may terminate this Agreement upon sixty (60) days notice to the other Party. In the event that BellSouth terminates this Agreement as provided above, BellSouth shall continue to offer services to Sprint pursuant to BellSouth's then current standard interconnection agreement or Sprint may exercise its rights under Section 252(i) of the Act. In the event that BellSouth's standard interconnection agreement becomes effective as between the Parties or Sprint adopts another agreement, the Parties may continue to negotiate a Subsequent Agreement, and the terms of such Subsequent Agreement shall be effective as of the effective date stated in the Subsequent Agreement.

3.4 If an arbitration proceeding has been filed in accordance with Section 252 of the Act and if the Commission does not issue its order prior to the expiration of this Agreement, this Agreement shall be deemed extended on a month-to-month basis until the Subsequent Agreement becomes effective. The terms of such Subsequent Agreement shall be effective as of the effective date stated in such Subsequent Agreement and shall not be applied retroactively to the expiration date of this Agreement unless the Parties agree otherwise. Neither Party shall refuse to provide services to the other Party during the negotiation of the Subsequent Agreement or the transition from this Agreement to the Subsequent Agreement.

2. The Parties agree to add Section 10.1.1, General Terms and Conditions – Part A as follows:

10.1.1 Dispute Resolution. Any claim arising under Section 10.1 shall be excluded from the dispute resolution procedures set forth in Section 14 and shall be brought in a court of competent jurisdiction.

3. The Parties agree to replace Sections 11.1 – 11.7, General Terms and Conditions – Part A with new Sections 11.1-11.7, as set forth in Exhibit 1 attached hereto and incorporated herein by this reference. The Parties also agree to replace Section 11.10 with the following:

11.10 Equitable Relief. Recipient acknowledges and agrees that any breach or threatened breach of this Section is likely to cause Discloser irreparable harm for which money damages may not be an appropriate or sufficient remedy. Recipient therefore agrees that Discloser or its Affiliates, as the case may be, are entitled to seek injunctive or other equitable relief to remedy or prevent any breach or threatened breach of this Agreement. Such remedy is not the exclusive remedy for any breach or threatened breach of this Agreement, but is in addition to all other rights and remedies pursuant to this Agreement.

4. The Parties further agree to delete Section 14, General Terms and Conditions – Part A and replace with the following:

14. Resolution of Disputes

14.1 Except as otherwise stated in this Agreement, if any dispute arises as to the interpretation of any provision of this Agreement or as to the proper implementation of this Agreement, then if the aggrieved Party elects to pursue such dispute, the aggrieved Party may petition the FCC or Commission for a resolution of the dispute. Until the dispute is finally resolved, each Party shall continue to perform its obligations under this Agreement and shall continue to provide all services and payments as prior to the dispute provided, however, that neither Party shall be required to act in any unlawful fashion. If the issue is as to how or whether to perform an obligation, the Parties shall continue to operate under the Agreement as they were at the time the dispute arose. This provision shall not preclude the Parties from seeking other legal remedies. Each Party reserves any rights it may have to seek judicial review of any ruling made by the Commission concerning this Agreement.

14.2 The foregoing Section 14.1 notwithstanding, except to the extent the Commission is authorized to grant temporary equitable relief with respect to a dispute arising as to the enforcement of terms and conditions of this Agreement, and/or as to the interpretation of any provision of this Agreement, this Section 14 shall not prevent either Party from seeking any temporary equitable relief, including a temporary restraining order, in a court of competent jurisdiction.

5. The Parties agree to delete Sections 18.4 and 18.5 in General Terms and Conditions – Part A and replace with the following:

18.4 In the event that any effective legislative, regulatory, judicial or other legal action materially affects any material terms of this Agreement, or the ability of Sprint or BellSouth to perform any material terms of this Agreement, Sprint or BellSouth may, on thirty (30) days' written notice, require that such terms be renegotiated, and the Parties shall renegotiate in good faith such mutually acceptable new terms as may be required. In the event that such new terms are not renegotiated within ninety (90) days after such notice, the Dispute shall be referred to the Dispute Resolution procedure set forth in this Agreement.

18.5 If any provision of this Agreement, or part thereof, shall be held invalid or unenforceable in any respect, the remainder of the Agreement or provision shall not be affected thereby, provided that the Parties shall negotiate in good faith to reformulate such invalid provision, or part thereof, or related provision, to as closely reflect the original intent of the Parties as possible, consistent with applicable law, and to effectuate such portions thereof as may be valid without defeating the intent of such provision. In the event the Parties are unable to mutually negotiate such replacement language, either Party may elect to pursue the dispute resolution process set forth in Section 14.

6. The Parties further agree to delete Section 29.3 in General Terms and Conditions – Part A and replace with the following:

29.3 Notwithstanding the foregoing, BellSouth may provide Sprint notice via Internet posting of price changes and changes to the terms and conditions of services available for resale. BellSouth shall provide notice of discontinuance of resold services and notice of rate increases on resold services ten (10) days prior to Sprint's obligation to provide advanced notice to its End Users pursuant to Commission order or Rule. BellSouth will post on its website changes to business processes and policies, notices of new service offerings, and changes to service offerings not requiring an amendment to this Agreement, notices required to be posted, and any other information of general applicability to CLECs.

The Parties also agree to delete "Telecommunications Service," from 29.4 and to replace 29.5 with the following:

29.5 Bellsouth shall provide notice of network changes and upgrades as required by Section 51.325 through 51.335 of Title 47 of the Code of Federal Regulations or other applicable FCC and/or Commission rules.

7. The Parties agree to add a new Section 37 to General Terms and Conditions – Part A as follows:

37. **Indivisibility**

The Parties acknowledge that they have assented to all of the covenants and promises in this Agreement as a single whole and that all of such covenants and promises, taken as a whole, constitute the essence of the contract. The Parties further acknowledge that this Agreement is intended to constitute a single transaction, that the obligations of the Parties under this Agreement are interdependent, and that payment obligations under this Agreement are intended to be recouped against other payment obligations under this Agreement.

8. The Parties further agree to add Section 4.4 to Attachment 1 – Resale as follows:

4.4 Service Jointly Provisioned with an Independent Company or Competitive Local Exchange Company Areas

4.4.1 BellSouth will in some instances provision resold services in accordance with the GSST and PLST jointly with an Independent Company or other CLEC.

4.4.2 When Sprint assumes responsibility for such service, all terms and conditions defined in the Tariff will apply for services provided within the BellSouth service area only.

4.4.3 Service terminating in an Independent Company or other CLEC area will be provisioned and billed by the Independent Company or other CLEC directly to Sprint.

4.4.4 Sprint is responsible for establishing a billing arrangement with the Independent Company or other CLEC where such circumstances apply. In those instances where a billing arrangement with the Independent Company or other CLEC is not established, the End User may receive a bill from the Independent Company or other CLEC as applicable.

4.4.5 Specific guidelines regarding such services are available on BellSouth's website at www.interconnection.bellsouth.com.

9. The Parties agree to replace Exhibit C, Attachment 1 – Resale with a new Exhibit C, as set forth in Exhibit 2 attached hereto and incorporated herein by this reference.

10. The Parties agree to delete Sections 1.4.1 and 1.4.2 in Attachment 2.

11. The Parties agree to add Section 8.6 to Attachment 2 as shown in Exhibit 3 attached hereto and incorporated herein by this reference.

12. The Parties agree to delete Sections 13.2.1, 13.2.2, 13.2.4, and 13.2.5 Attachment 2 and replace with new sections as follows:

13.2.1 For purposes of this Section, references to "Currently Combined" network elements shall mean that the particular network elements requested by Sprint are in fact already combined by BellSouth in the BellSouth network. References to "Ordinarily Combined" network elements shall mean that the particular network elements requested by Sprint are not already combined by BellSouth in the location requested by Sprint but are elements that are typically combined in BellSouth's network. References to "Not Typically Combined" network elements shall mean that the particular network elements requested by Sprint are not elements that BellSouth combines for its use in its network.

13.2.2 Left Blank Intentionally

13. The Parties further agree to delete Section 13.6, Attachment 2 and replace with a new section as follows:

13.6 Rates

13.6.1 Currently Combined EELs listed in Sections 13.3.1-13.3.14 shall be billed at the nonrecurring switch-as-is charge and recurring charges for that combination as set forth in Exhibit B of this Attachment. Currently Combined EELs not listed in Sections 13.3.1-13.3.14 shall be billed at the sum of the recurring charges for the individual network elements that comprise the combination as set forth in Exhibit B and a nonrecurring switch-as-is charge as set forth in Exhibit B.

13.6.2 Ordinarily Combined EELs listed in Sections 13.3.1-13.3.14 shall be billed the sum of the nonrecurring and recurring charges for that combination as set forth in Exhibit B of this Attachment. Ordinarily combined EELs not listed in Sections in Sections 13.3.1-13.3.14 shall be billed the sum of the nonrecurring charges and recurring charges for the individual network elements that comprise the combination as set forth in Exhibit B.

13.6.3 To the extent that Sprint requests an EEL combination Not Typically Combined in the BellSouth network, the rates, terms and conditions shall be determined pursuant to the BFR/NBR Process.

14. The Parties agree to add a new Section 13.7, Attachment 2 as follows:

13.7 Other UNE Combinations

13.7.1 BellSouth shall provide other Currently Combined and Ordinarily Combined and Not Typically Combined UNE Combinations to Sprint in

addition to those specifically referenced in this Section 13 above and in Section 14 below, where available. To the extent Sprint requests a combination for which BellSouth does not have methods and procedures in place to provide such combination, rates and/or methods and procedures for such combination will be developed pursuant to the BFR/NBR process.

13.7.2 The rates for Ordinarily Combined UNE Combinations provisioned pursuant to this Section 13.7 shall be the sum of the recurring rates and nonrecurring rates for the individual network elements as set forth in Exhibit B of this Attachment. The rates for Currently Combined UNE Combinations provisioned pursuant to this Section 13.7 shall be the sum of the recurring rates for the individual network elements as set forth in Exhibit B, in addition to a nonrecurring charge set forth in Exhibit B. To the extent Sprint requests a Not Typically Combined Combination pursuant to this Section 13.7, or to the extent Sprint requests any combination for which BellSouth has not developed methods and procedures to provide such combination, rates and/or methods and procedures for such combination shall be established pursuant to the BFR/NBR process.

15. The Parties further agree to delete Sections 14.1 and 14.2, Attachment 2 and replace with new Sections 14.1 and 14.2 as follows:

14.1 Combinations of port and Loop UNEs along with switching and transport UNEs provide local exchange service for the origination or termination of calls. Port/ Loop combinations support the same local calling and feature requirements as described in the Unbundled Local Switching or Port section of this Attachment 2 and the ability to presubscribe to a primary carrier for intraLATA toll service and/or to presubscribe to a primary carrier for interLATA toll service.

14.2 Except as set forth in Section 14.2.1 and 14.2.2 below, BellSouth shall provide UNE port/Loop combinations described in Section 14.3 below that are Currently Combined or Ordinarily Combined in BellSouth's network at the cost-based rates in Exhibit B. Except as set forth in Section 14.2.1 and 14.2.2 below, BellSouth shall provide UNE port/Loop combinations not described in Section 14.3 below or Not Typically Combined Combinations in accordance with the BFR/NBR process.

14.2.1 BellSouth is not required to provide combinations of port and Loop network elements on an unbundled basis in locations where, pursuant to FCC rules, BellSouth is not required to provide circuit switching as a UNE.

14.2.2 BellSouth shall not be required to provide local circuit switching as a UNE in density Zone 1, as defined in 47 CFR 69.123 as of January 1, 1999 of

the Atlanta, GA; Miami, FL; Orlando, FL; Ft. Lauderdale, FL; Charlotte-Gastonia-Rock Hill, NC; Greensboro-Winston Salem-High Point, NC; Nashville, TN; and New Orleans, LA, MSAs to Sprint if Sprint's customer has 4 or more DS0 equivalent lines.

14.2.3 Notwithstanding the foregoing, BellSouth shall provide combinations of port and Loop network elements on an unbundled basis where, pursuant to FCC rules, BellSouth is not required to provide local circuit switching as a UNE and shall do so at the market rates in Exhibit B. If a market rate is not set forth in Exhibit B for a UNE port/Loop combination, such rate shall be negotiated by the Parties.

14.2.4 BellSouth shall make 911 updates in the BellSouth 911 database for Sprint's UNE port/Loop combinations. BellSouth will not bill Sprint for 911 surcharges. Sprint is responsible for paying all 911 surcharges to the applicable governmental agency.

16. The Parties agree to replace Section 1.15, Attachment 7 with a new Section 1.15 as follows:

1.15 Deposit Policy. Sprint shall complete the BellSouth Credit Profile and provide information to BellSouth regarding credit worthiness. Based on the results of the credit analysis, BellSouth reserves the right to secure the accounts established under this Agreement with a suitable form of security deposit unless satisfactory credit has already been established. Such security deposit shall take the form of cash, an Irrevocable Letter of Credit (BellSouth form or another form substantially similar in its substantive provisions), Surety Bond (BellSouth form or another form substantially similar in its substantive provisions) or some other form of security as the Parties may mutually agree. Any such security deposit shall in no way release Sprint from its obligation to make complete and timely payments of its bill. Sprint shall pay any applicable deposits prior to the inauguration of service unless service has already been established pursuant to this Agreement. Interest on a security deposit, if provided in cash, shall accrue and be paid in accordance with the terms in the appropriate BellSouth tariff. Security deposits collected under this Section shall not exceed two months' estimated billing.

1.15.1 If, in the reasonable opinion of BellSouth, circumstances so warrant and/or gross monthly billing has increased beyond the level initially used to determine the level of security deposit, BellSouth reserves the right to request additional security. In determining whether an additional security deposit is required, BellSouth will review Sprint's Dun & Bradstreet rating and report details, Sprint's payment history with BellSouth and payment history with others as available; the number of years Sprint has been in business; Sprint's management history and managers' length of service with Sprint; liens, suits and judgments against Sprint; UCC-1 filings against Sprint's assets; and to the extent available, Sprint's

financial information. Upon the conclusion of this review, if BellSouth continues to insist on additional security, at Sprint's written request, BellSouth will provide an explanation in writing to Sprint justifying the decision for additional deposit.

1.15.2 Subject to Section 1.15.3 following, in the event Sprint fails to remit to BellSouth any deposit requested pursuant to this Section within thirty (30) days of Sprint 's receipt of such request, service to Sprint may be terminated in accordance with the terms of Section 1.14 above, and any security deposits will be applied to Sprint's account.

1.15.3 The Parties will work together to determine the need for or amount of a reasonable initial or increase in deposit. If the Parties are unable to agree, then Sprint must file a petition for resolution of the dispute. Such petition shall be filed with the Commission in the state in which Sprint does the most business with BellSouth. The Parties agree that the decision ordered by such Commission will be binding for all states covered by this Agreement. In the event Sprint fails to file a petition with the Commission then BellSouth may terminate service to Sprint in accordance with the terms of Section 1.14 above, and any security deposits will be applied to Sprint's account.

17. All other provisions of the Agreement, dated January 1, 2001, shall remain in full force and effect.

18. Either or both of the Parties is authorized to submit this Amendment to the appropriate Commission for approval subject to section 252(e) of the Federal Telecommunications Act of 1996.

19. This Amendment shall be effective upon the date of the last signature of both Parties.

Signature Page

IN WITNESS WHEREOF, the Parties have executed this Agreement the day and year written below.

BellSouth Telecommunications, Inc.

By: Pat C Finch

Name: Patricia C. Finch

Title: Asst Director

Date: 12/3/03

Sprint Communications Company Limited Partnership

By: W. Richard Morris

Name: W. Richard Morris

Title: Vice President, External Affairs

Date: December 2, 2003

Sprint Spectrum L.P.

By: W. Richard Morris

Name: W. Richard Morris

Title: Vice President, External Affairs

Date: December 2, 2003

EXHIBIT 1

11. Proprietary and Confidential Information

11.1 Proprietary and Confidential Information. It may be necessary for BellSouth and Sprint, each as the "Discloser," to provide to the other Party, as "Recipient," certain proprietary and confidential information (including trade secret information) including but not limited to technical, financial, marketing, staffing and business plans and information, strategic information, proposals, request for proposals, specifications, drawings, maps, prices, costs, costing methodologies, procedures, processes, business systems, software programs, techniques, customer account data, call detail records and like information (collectively the "Information"). All such Information conveyed in writing or other tangible form shall be clearly marked with a confidential or proprietary legend. Information conveyed orally by the Discloser to Recipient shall be designated as proprietary and confidential at the time of such oral conveyance, shall be reduced to writing by the Discloser within forty-five (45) days thereafter, and shall be clearly marked with a confidential or proprietary legend.

11.2 Use and Protection of Information. Recipient agrees to protect such Information of the Discloser provided to Recipient from whatever source from distribution, disclosure or dissemination to anyone except employees of Recipient with a need to know such Information solely in conjunction with Recipient's analysis of the Information and for no other purpose except as authorized herein or as otherwise authorized in writing by the Discloser. Recipient will not make any copies of the Information inspected by it.

11.3 Exceptions. Recipient will not have an obligation to protect any portion of the Information which:

11.3.1 (a) is made publicly available by the Discloser or lawfully by a nonparty to this Agreement; (b) is lawfully obtained by Recipient from any source other than Discloser; (c) is previously known to Recipient without an obligation to keep it confidential; or (d) is released from the terms of this Agreement by Discloser upon written notice to Recipient.

11.4 Recipient agrees to use the Information solely for the purposes of negotiations pursuant to 47 U.S.C. 251 or in performing its obligations under this Agreement and for no other entity or purpose, except as may be otherwise agreed to in writing by the Parties. Nothing herein shall prohibit Recipient from providing information requested by the FCC or a state regulatory agency with jurisdiction over this matter, or to support a request for arbitration or an allegation of failure to negotiate in good faith.

EXHIBIT 1

11.5 Recipient agrees not to publish or use the Information for any advertising, sales or marketing promotions, press releases, or publicity matters that refer either directly or indirectly to the Information or to the Discloser or any of its affiliated companies.

11.6 The disclosure of Information neither grants nor implies any license to the Recipient under any trademark, patent, copyright, application or other intellectual property right that is now or may hereafter be owned by the Discloser.

11.7 Survival of Confidentiality Obligations. The Parties' rights and obligations under this Section 11 shall survive and continue in effect until two (2) years after the expiration or termination date of this Agreement with regard to all Information exchanged during the term of this Agreement. Thereafter, the Parties' rights and obligations hereunder survive and continue in effect with respect to any Information that is a trade secret under applicable law.

EXHIBIT 2

Attachment 1
EXHIBIT C

LINE INFORMATION DATA BASE (LIDB)
RESALE STORAGE AGREEMENT

I. Definitions (from Addendum)

A. Billing number - a number used by BellSouth for the purpose of identifying an account liable for charges. This number may be a line or a special billing number.

B. Line number - a ten-digit number assigned by BellSouth that identifies a telephone line associated with a resold local exchange service.

C. Special billing number - a ten-digit number that identifies a billing account established by BellSouth in connection with a resold local exchange service.

D. Calling Card number - a billing number plus PIN number assigned by BellSouth.

E. PIN number - a four-digit security code assigned by BellSouth that is added to a billing number to compose a fourteen-digit calling card number.

F. Toll billing exception indicator - associated with a billing number to indicate that it is considered invalid for billing of collect calls or third number calls or both, by Sprint.

G. Billed Number Screening - refers to the query service used to determine whether a toll billing exception indicator is present for a particular billing number.

H. Calling Card Validation - refers to the query service used to determine whether a particular calling card number exists as stated or otherwise provided by a caller.

I. Billing number information - information about billing number or Calling Card number as assigned by BellSouth and toll billing exception indicator provided to BellSouth by Sprint.

J. Get-Data - refers to the query service used to determine, at a minimum, the Account Owner and/or Regional Accounting Office for a line number. This query service may be modified to provide additional information in the future.

K. Originating Line Number Screening (OLNS) - refers to the query service used to determine the billing, screening and call handling indicators, station type and Account Owner provided to BellSouth by Sprint for originating line numbers.

L. Account Owner - name of the local exchange telecommunications company that is providing dialtone on a subscriber line.

EXHIBIT 2

Attachment 1
EXHIBIT C

II. General

A. This Agreement sets forth the terms and conditions pursuant to which BellSouth agrees to store in its LIDB certain information at the request of Sprint and pursuant to which BellSouth, its LIDB customers and Sprint shall have access to such information. In addition, this Agreement sets forth the terms and conditions for Sprint's provision of billing number information to BellSouth for inclusion in BellSouth's LIDB. Sprint understands that BellSouth provides access to information in its LIDB to various telecommunications service providers pursuant to applicable tariffs and agrees that information stored at the request of Sprint, pursuant to this Agreement, shall be available to those telecommunications service providers. The terms and conditions contained herein shall hereby be made a part of this Agreement upon notice to Sprint's account team and/or Local Contract Manager to activate this LIDB Storage Agreement. The General Terms and Conditions of the Agreement shall govern this LIDB Storage Agreement. The terms and conditions contained in the attached Addendum are hereby made a part of this LIDB Storage Agreement as if fully incorporated herein.

B. BellSouth will provide responses to on-line, call-by-call queries to billing number information for the following purposes:

1. Billed Number Screening. BellSouth is authorized to use the billing number information to determine whether Sprint has identified the billing number as one that should not be billed for collect or third number calls.
2. Calling Card Validation. BellSouth is authorized to validate a 14-digit Calling Card number where the first 10 digits are a line number or special billing number assigned by BellSouth, and where the last four digits (PIN) are a security code assigned by BellSouth.
3. OLNS. BellSouth is authorized to provide originating line screening information for billing services restrictions, station type, call handling indicators, presubscribed interLATA and local carrier and account owner on the lines of Sprint from which a call originates.
4. GetData. BellSouth is authorized to provide, at a minimum, the account owner and/or Regional Accounting Office information on the lines of Sprint indicating the local service provider and where billing records are to be sent for settlement purposes. This query service may be modified to provide additional information in the future.
5. Fraud Control. BellSouth will provide seven days per week, 24-hours per day, fraud monitoring on Calling Cards, bill-to-third and collect calls made to numbers in BellSouth's LIDB, provided that such information is included in the LIDB query. BellSouth will establish fraud alert thresholds and will notify Sprint of fraud alerts so that Sprint may take action it deems appropriate.

EXHIBIT 2

Attachment 1
EXHIBIT C

III. Responsibilities of the Parties

A. BellSouth will administer all data stored in the LIDB, including the data provided by Sprint pursuant to this Agreement, in the same manner as BellSouth's data for BellSouth's End User customers. BellSouth shall not be responsible to Sprint for any lost revenue which may result from BellSouth's administration of the LIDB pursuant to its established practices and procedures as they exist and as they may be changed by BellSouth in its sole discretion from time to time.

B. Billing and Collection Customers. BellSouth currently has in effect numerous billing and collection agreements with various interexchange carriers and billing clearing houses and as such these billing and collection customers (B&C Customers) query BellSouth's LIDB to determine whether to accept various billing options from End Users. Until such time as BellSouth implements in its LIDB and its supporting systems the means to differentiate Sprint's data from BellSouth's data, the following shall apply:

(1) BellSouth will identify Sprint end user originated long distance charges and will return those charges to the interexchange carrier as not covered by the existing B&C agreement. Sprint is responsible for entering into the appropriate agreement with interexchange carriers for handling of long distance charges by their end users.

(2) BellSouth shall have no obligation to become involved in any disputes between Sprint and B&C Customers. BellSouth will not issue adjustments for charges billed on behalf of any B&C Customer to Sprint. It shall be the responsibility of Sprint and the B&C Customers to negotiate and arrange for any appropriate adjustments.

IV. Fees for Service and Taxes

A. Sprint will not be charged a fee for storage services provided by BellSouth to Sprint, as described in this LIDB Storage Agreement.

B. Sales, use and all other taxes (excluding taxes on BellSouth's income) determined by BellSouth or any taxing authority to be due to any federal, state or local taxing jurisdiction with respect to the provision of the service set forth herein will be paid by Sprint in accordance with the tax provisions set forth in the General Terms and Conditions of this Agreement.

EXHIBIT 3

Attachment 2

8.6 Line Splitting

8.6.1 Line splitting allows a provider of data services (Data LEC) and a provider of voice services (Voice CLEC) to deliver voice and data service to End Users over the same Loop. The Voice CLEC and Data LEC may be the same or different carriers. Sprint shall provide BellSouth with a signed LOA between it and the Data LEC or Voice CLEC with which it desires to provision Line Splitting services, if Sprint will not provide voice and data services.

8.6.2 End Users currently receiving voice service from a Voice CLEC through a UNE platform (UNE-P) may be converted to Line Splitting arrangements by Sprint or its authorized agent ordering Line Splitting Service. If the CLEC wishes to provide the splitter, the UNE-P arrangement will be converted to a stand-alone UNE Loop, a UNE port, two collocation cross connects and the high frequency spectrum line activation. If BellSouth owns the splitter, the UNE-P arrangement will be converted to a stand-alone UNE Loop, port, and one collocation cross connection.

8.6.3 When end users on Loops using High Frequency Spectrum CO Based line sharing service are converted to Line Splitting, BellSouth will discontinue billing Sprint for the High Frequency Spectrum. BellSouth will continue to bill the Data LEC for all associated splitter charges if the Data LEC continues to use a BellSouth splitter. It is the responsibility of Sprint or its authorized agent to determine if the Loop is compatible for Line Splitting Service. Sprint or its authorized agent may use the existing Loop unless it is not compatible with the Data LEC's data service and Sprint or its authorized agent submits an LSR to BellSouth to change the Loop.

8.6.4 **Provisioning Line Splitting and Splitter Space**

8.6.4.1 The Data LEC, Voice CLEC or BellSouth may provide the splitter. When Sprint or its authorized agent owns the splitter, Line Splitting requires the following: a non-designed analog Loop from the serving wire center to the NID at the end user's location; a collocation cross connection connecting the Loop to the collocation space; a second collocation cross connection from the collocation space connected to a voice port; the high frequency spectrum line activation, and a splitter. The Loop and port cannot be a Loop and port combination (i.e. UNE-P), but must be individual stand-alone network elements. When BellSouth owns the splitter, Line Splitting requires the following: a non-designed analog Loop from the serving wire center to the NID at the end user's location with CFA and splitter port assignments, and a collocation cross connection from the collocation space connected to a voice port.

EXHIBIT 3

Attachment 2

8.6.4.2 An unloaded 2-wire copper Loop must serve the end user. The meet point for the Voice CLEC and the Data LEC is the point of termination on the MDF for the Data LEC's cable and pairs.

8.6.4.3 The foregoing procedures are applicable to migration to Line Splitting Service from a UNE-P arrangement, BellSouth Retail Voice Service, BellSouth High Frequency Spectrum (CO Based) Line Sharing.

8.6.4.4 For other migration scenarios to line splitting, BellSouth will work cooperatively with CLECs to develop methods and procedures to develop a process whereby a Voice CLEC and a Data LEC may provide services over the same Loop.

8.6.5 **Ordering**

8.6.5.1 Sprint shall use BellSouth's LSOD to order splitters from BellSouth and to activate and deactivate DS0 Collocation CFAs for use with Line Splitting.

8.6.5.2 BellSouth shall provide Sprint the LSR format to be used when ordering Line Splitting service.

8.6.5.3 BellSouth will provision Line Splitting service in compliance with BellSouth's Products and Services Interval Guide available at the website at http://www.interconnection.bellsouth.com.

8.6.5.4 BellSouth will provide Sprint access to Preordering Loop Makeup (LMU) in accordance with the terms of this Agreement. BellSouth shall bill and Sprint shall pay the rates for such services as described in Exhibit B.

8.6.5.5 BellSouth will provide Loop modification to Sprint on an existing Loop in accordance with procedures developed in the Line Sharing Collaborative. High Frequency Spectrum (CO Based) Unbundled Loop Modification is a separate distinct service from ULM set forth in Section 2.5 of this Attachment. Procedures for High Frequency Spectrum (CO Based) Unbundled Loop Modification may be found on the web at: HTTP://www.interconnection.bellsouth.com/html/unes.html. Nonrecurring rates for this UNE offering are as set forth in Exhibit B.

8.6.6 **Maintenance**

8.6.6.1 BellSouth will be responsible for repairing voice services and the physical line between the NID at the customer's premise and the Termination Point. Sprint will be responsible for repairing data services. Each Party will be responsible for maintaining its own equipment.

8.6.6.2 Sprint shall inform its end users to direct data problems to Sprint, unless both voice and data services are impaired, in which event the end users should call BellSouth.

EXHIBIT 3

Attachment 2

8.6.6.3 Once a Party has isolated a trouble to the other Party's portion of the Loop, the Party isolating the trouble shall notify the end user that the trouble is on the other Party's portion of the Loop.

8.6.6.4 When BellSouth receives a voice trouble and isolates the trouble to the physical collocation arrangement belonging to owner of the collocation space, BellSouth will notify the owner of the collocation space. The owner of the collocation space will provide at least one but no more than two (2) verbal CFA pair changes to BellSouth in an attempt to resolve the voice trouble. In the event the CFA pair is changed, the owner of the collocation space will provide BellSouth an LSR with the new CFA pair information within 24 hours. If the owner of the collocation space fails to resolve the trouble by providing BellSouth with the verbal CFA pair changes, BellSouth may discontinue the owner of the collocation space access to the High Frequency Spectrum on such Loop.

8.6.6.5 If Sprint is not the data provider, Sprint shall indemnify, defend and hold harmless BellSouth from and against any claims, losses, actions, causes of action, suits, demands, damages, injury, and costs including reasonable attorney fees, which arise out of actions related to the data provider.

EXHIBIT PLF-3

Amendment to
Interconnection Agreement

between

Sprint Communications Company Limited Partnership
Sprint Communications Company L.P.
Sprint Spectrum, L.P.

and

BellSouth Telecommunications, Inc.

Dated January 1, 2001

Pursuant to this Amendment (the "Amendment") Sprint Communications Company Limited Partnership and Sprint Communications Company L.P., (collectively referred to as "Sprint CLEC"), a Delaware Limited Partnership, and Sprint Spectrum L.P., a Delaware limited partnership, as agent and General Partner for WirelessCo. L.P., a Delaware limited partnership, and SprintCom, Inc., a Kansas corporation, all foregoing entities jointly d/b/a Sprint PCS (Sprint PCS), and BellSouth Telecommunications, Inc. (BellSouth), a Georgia corporation, hereinafter referred to collectively as the "Parties" hereby agree to amend that certain Interconnection Agreement (the Agreement) between BellSouth and Sprint CLEC and Sprint PCS, (collectively referred to as "Sprint") dated January 1, 2001.

NOW THEREFORE, in consideration of the mutual provisions contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Sprint and BellSouth hereby covenant and agree as follows:

1. The Parties agree to delete Section 2.1, General Terms and Conditions – Part A in its entirety and replace it with the following:

> 2.1 The term of this Agreement shall be from the effective date as set forth above and shall expire as of December 31, 2004. Upon mutual agreement of the Parties, the term of this Agreement may be extended. If, as of the expiration of this Agreement, a Subsequent Agreement (as defined in Section 3.1 below) has not been executed by the Parties, this Agreement shall continue on a month-to-month basis.

2. All other provisions of the Agreement, dated January 1, 2001, shall remain in full force and effect.

3. Either or both of the Parties is authorized to submit this Amendment to the appropriate Commission for approval subject to section 252(e) of the Federal Telecommunications Act of 1996.

4. This Amendment shall be effective upon the date of the last signature of both Parties.

IN WITNESS WHEREOF, the Parties have executed this Agreement the day and year written below.

BellSouth Telecommunications, Inc.

By: _____

Name: Kristen E. Rowe

Title: Director

Date: 6/3/04

Sprint Communications Company Limited Partnership

By: _____

Name: W. Richard Morris

Title: Vice President – External Affairs

Date: 6/2/04

Sprint Spectrum L.P.

By: _____

Name: W. Richard Morris

Title: Vice President – External Affairs

Date: 6/2/04

EXHIBIT PLF-4

APPENDIX F

Conditions

The Applicants have offered certain voluntary commitments, enumerated below. Because we find these commitments will serve the public interest, we accept them. Unless otherwise specified herein, the commitments described herein shall become effective on the Merger Closing Date. The commitments described herein shall be null and void if AT&T and BellSouth do not merge and there is no Merger Closing Date.

It is not the intent of these commitments to restrict, supersede, or otherwise alter state or local jurisdiction under the Communications Act of 1934, as amended, or over the matters addressed in these commitments, or to limit state authority to adopt rules, regulations, performance monitoring programs, or other policies that are not inconsistent with these commitments.

MERGER COMMITMENTS

For the avoidance of doubt, unless otherwise expressly stated to the contrary, all conditions and commitments proposed in this letter are enforceable by the FCC and would apply in the AT&T/BellSouth in-region territory, as defined herein, for a period of forty-two months from the Merger Closing Date and would automatically sunset thereafter.

Repatriation of Jobs to the U.S.

AT&T/BellSouth[1] is committed to providing high quality employment opportunities in the U.S. In order to further this commitment, AT&T/BellSouth will repatriate 3,000 jobs that are currently outsourced by BellSouth outside of the U.S. This repatriation will be completed by December 31, 2008. At least 200 of the repatriated jobs will be physically located within the New Orleans, Louisiana MSA.

Promoting Accessibility of Broadband Service

1. By December 31, 2007, AT&T/BellSouth will offer broadband Internet access service (*i.e.*, Internet access service at speeds in excess of 200 kbps in at least one direction) to 100 percent of the residential living units in the AT&T/BellSouth in-region territory.[2] To meet this commitment, AT&T/BellSouth will offer broadband Internet access services to at least 85 percent of such living units using wireline technologies (the "Wireline Buildout Area"). AT&T/BellSouth will make available broadband Internet access service to the remaining living units using alternative technologies

[1] AT&T/BellSouth refers to AT&T Inc., BellSouth Corporation, and their affiliates that provide domestic wireline or Wi-Max fixed wireless services.

[2] As used herein, the "AT&T/BellSouth in-region territory" means the areas in which an AT&T or BellSouth operating company is the incumbent local exchange carrier, as defined in 47 U.S.C. § 251(h)(1)(A) and (B)(i). "AT&T in-region territory" means the area in which an AT&T operating company is the incumbent local exchange carrier, as defined in 47 U.S.C. § 251(h)(1)(A) and (B)(i), and "BellSouth in-region territory" means the area in which a BellSouth operating company is the incumbent local exchange carrier, as defined in 47 U.S.C. § 251(h)(1)(A) and (B)(i).

and operating arrangements, including but not limited to satellite and Wi-Max fixed wireless technologies. AT&T/BellSouth further commits that at least 30 percent of the incremental deployment after the Merger Closing Date necessary to achieve the Wireline Buildout Area commitment will be to rural areas or low income living units.[3]

2. AT&T/BellSouth will provide an ADSL modem without charge (except for shipping and handling) to residential subscribers within the Wireline Buildout Area who, between July 1, 2007, and June 30, 2008, replace their AT&T/BellSouth dial-up Internet access service with AT&T/BellSouth's ADSL service and elect a term plan for their ADSL service of twelve months or greater.

3. Within six months of the Merger Closing Date, and continuing for at least 30 months from the inception of the offer, AT&T/BellSouth will offer to retail consumers in the Wireline Buildout Area, who have not previously subscribed to AT&T's or BellSouth's ADSL service, a broadband Internet access service at a speed of up to 768 Kbps at a monthly rate (exclusive of any applicable taxes and regulatory fees) of $10 per month.

Statement of Video Roll-Out Intentions

AT&T is committed to providing, and has expended substantial resources to provide, a broad array of advanced video programming services in the AT&T in-region territory. These advanced video services include Uverse, on an integrated IP platform, and HomeZone, which integrates advanced broadband and satellite services. Subject to obtaining all necessary authorizations to do so, AT&T/BellSouth intends to bring such services to the BellSouth in-region territory in a manner reasonably consistent with AT&T's roll-out of such services within the AT&T in-region territory. In order to facilitate the provision of such advanced video services in the BellSouth in-region territory, AT&T /BellSouth will continue to deploy fiber-based facilities and intends to have the capability to reach at least 1.5 million homes in the BellSouth in-region territory by the end of 2007. AT&T/BellSouth agrees to provide a written report to the Commission by December 31, 2007, describing progress made in obtaining necessary authorizations to roll-out, and the actual roll-out of, such advanced video services in the BellSouth in-region territory.

Public Safety, Disaster Recovery

1. By June 1, 2007, AT&T will complete the steps necessary to allow it to make its disaster recovery capabilities available to facilitate restoration of service in BellSouth's in-region territory in the event of an extended service outage caused by a hurricane or other disaster.

2. In order to further promote public safety, within thirty days of the Merger Closing Date, AT&T/BellSouth will donate $1 million to a section 501(c)(3) foundation or public entities for the purpose of promoting public safety.

[3] For purposes of this commitment, a low income living unit shall mean a living unit in AT&T/BellSouth's in-region territory with an average annual income of less than $35,000, determined consistent with Census Bureau data, *see* California Public Utilities Code section 5890(j)(2) (as added by AB 2987) (defining low income households as those with annual incomes below $35,000), and a rural area shall consist of the zones in AT&T/BellSouth's in-region territory with the highest deaveraged UNE loop rates as established by the state commission consistent with the procedures set forth in section 51.507 of the Commission's rules. 47 C.F.R. § 51.507.

Service to Customers with Disabilities

AT&T/BellSouth has a long and distinguished history of serving customers with disabilities. AT&T/BellSouth commits to provide the Commission, within 12 months of the Merger Closing Date, a report describing its efforts to provide high quality service to customers with disabilities.

UNEs

1. The AT&T and BellSouth ILECs shall continue to offer and shall not seek any increase in state-approved rates for UNEs or collocation that are in effect as of the Merger Closing Date. For purposes of this commitment, an increase includes an increased existing surcharge or a new surcharge unless such new or increased surcharge is authorized by (i) the applicable interconnection agreement or tariff, as applicable, and (ii) by the relevant state commission. This commitment shall not limit the ability of the AT&T and BellSouth ILECs and any other telecommunications carrier to agree voluntarily to any different UNE or collocation rates.

2. AT&T/BellSouth shall recalculate its wire center calculations for the number of business lines and fiber-based collocations and, for those that no longer meet the non-impairment thresholds established in 47 CFR §§ 51.319(a) and (e), provide appropriate loop and transport access. In identifying wire centers in which there is no impairment pursuant to 47 CFR §§ 51.319(a) and (e), the merged entity shall exclude the following: (i) fiber-based collocation arrangements established by AT&T or its affiliates; (ii) entities that do not operate (*i.e.*, own or manage the optronics on the fiber) their own fiber into and out of their own collocation arrangement but merely cross-connect to fiber-based collocation arrangements; and (iii) special access lines obtained by AT&T from BellSouth as of the day before the Merger Closing Date.

3. AT&T/BellSouth shall cease all ongoing or threatened audits of compliance with the Commission's EELs eligibility criteria (as set forth in the *Supplemental Order Clarification*'s significant local use requirement and related safe harbors, and the *Triennial Review Order*'s high capacity EEL eligibility criteria), and shall not initiate any new EELs audits.

Reducing Transaction Costs Associated with Interconnection Agreements

1. The AT&T/BellSouth ILECs shall make available to any requesting telecommunications carrier any entire effective interconnection agreement, whether negotiated or arbitrated, that an AT&T/BellSouth ILEC entered into in any state in the AT&T/BellSouth 22-state ILEC operating territory, subject to state-specific pricing and performance plans and technical feasibility, and provided, further, that an AT&T/BellSouth ILEC shall not be obligated to provide pursuant to this commitment any interconnection arrangement or UNE unless it is feasible to provide, given the technical, network, and OSS attributes and limitations in, and is consistent with the laws and regulatory requirements of, the state for which the request is made.

2. The AT&T/BellSouth ILECs shall not refuse a request by a telecommunications carrier to opt into an agreement on the ground that the agreement has not been amended to reflect changes of law, provided the requesting telecommunications carrier agrees to negotiate in good faith an amendment regarding such change of law immediately after it has opted into the agreement.

3. The AT&T/BellSouth ILECs shall allow a requesting telecommunications carrier to use its pre-existing interconnection agreement as the starting point for negotiating a new agreement.

4. The AT&T/BellSouth ILECs shall permit a requesting telecommunications carrier to extend its current interconnection agreement, regardless of whether its initial term has expired, for a period of up to three years, subject to amendment to reflect prior and future changes of law. During this period, the interconnection agreement may be terminated only via the carrier's request unless terminated pursuant to the agreement's "default" provisions.

Special Access

Each of the following special access commitments shall remain in effect until 48 months from the Merger Closing Date.

1. AT&T/BellSouth affiliates that meet the definition of a Bell operating company in section 3(4)(A) of the Act ("AT&T/BellSouth BOCs")[4] will implement, in the AT&T and BellSouth Service Areas,[5] the Service Quality Measurement Plan for Interstate Special Access Services ("the Plan"), similar to that set forth in the SBC/AT&T Merger Conditions, as described herein and in Attachment A to this Appendix F. The AT&T/BellSouth BOCs shall provide the Commission with performance measurement results on a quarterly basis, which shall consist of data collected according to the performance measurements listed therein. Such reports shall be provided in an Excel spreadsheet format and shall be designed to demonstrate the AT&T/BellSouth BOCs' monthly performance in delivering interstate special access services within each of the states in the AT&T and BellSouth Service Areas. These data shall be reported on an aggregated basis for interstate special access services delivered to (i) AT&T and BellSouth section 272(a) affiliates, (ii) their BOC and other affiliates, and (iii) non-affiliates.[6] The AT&T/BellSouth BOCs shall provide performance measurement results (broken down on a monthly basis) for each quarter to the Commission by the 45th day after the end of the quarter. The AT&T/BellSouth BOCs shall implement the Plan for the first full quarter following the Merger Closing Date. This commitment shall terminate on the earlier of (i) 48 months and 45 days after the beginning of the first full quarter following the Merger Closing Date (that is, when AT&T/BellSouth files its 16th quarterly report); or (ii) the effective date of a Commission order adopting performance measurement requirements for interstate special access services.

2. AT&T/BellSouth shall not increase the rates paid by existing customers (as of the Merger Closing Date) of DS1 and DS3 local private line services that it provides in the AT&T/BellSouth in-region territory pursuant to, or referenced in, TCG FCC Tariff No. 2 above their level as of the Merger Closing Date.

3. AT&T/BellSouth will not provide special access offerings to its wireline affiliates that are not available to other similarly situated special access customers on the same terms and conditions.

4. To ensure that AT&T/BellSouth may not provide special access offerings to its affiliates that are not available to other special access customers, before AT&T/BellSouth provides a new or modified contract tariffed service under section 69.727(a) of the Commission's rules to its own section 272(a)

[4] For purposes of clarity, the special access commitments set forth herein do not apply to AT&T Advanced Solutions, Inc. and the Ameritech Advanced Data Services Companies, doing business collectively as "ASI."

[5] For purposes of this commitment, "AT&T and BellSouth Service Areas" means the areas within AT&T/BellSouth's in-region territory in which the AT&T and BellSouth ILECs are Bell operating companies as defined in 47 U.S.C. § 153(4)(A).

[6] BOC data shall not include retail data.

affiliate(s), it will certify to the Commission that it provides service pursuant to that contract tariff to an unaffiliated customer other than Verizon Communications Inc., or its wireline affiliates. AT&T/BellSouth also will not unreasonably discriminate in favor of its affiliates in establishing the terms and conditions for grooming special access facilities.[7]

5. No AT&T/BellSouth ILEC may increase the rates in its interstate tariffs, including contract tariffs, for special access services that it provides in the AT&T/BellSouth in-region territory, as set forth in tariffs on file at the Commission on the Merger Closing Date, and as set forth in tariffs amended subsequently in order to comply with the provisions of these commitments.

6. In areas within the AT&T/BellSouth in-region territory where an AT&T/BellSouth ILEC has obtained Phase II pricing flexibility for price cap services ("Phase II areas"), such ILEC will offer DS1 and DS3 channel termination services, DS1 and DS3 mileage services, and Ethernet services,[8] that currently are offered pursuant to the Phase II Pricing Flexibility Provisions of its special access tariffs,[9] at rates that are no higher than, and on the same terms and conditions as, its tariffed rates, terms, and conditions as of the Merger Closing Date for such services in areas within its in-region territory where it has not obtained Phase II pricing flexibility. In Phase II areas, AT&T/BellSouth also will reduce by 15% the rates in its interstate tariffs as of the Merger Closing Date for Ethernet services that are not at that time subject to price cap regulation. The foregoing commitments shall not apply to DS1, DS3, or Ethernet services provided by an AT&T/BellSouth ILEC to any other price cap ILEC, including any affiliate of such other price cap ILEC,[10] unless such other price cap ILEC offers DS1 and DS3 channel termination and mileage services, and price cap Ethernet services in all areas in which it has obtained Phase II pricing flexibility relief for such services (hereinafter "Reciprocal Price Cap Services") at rates, and on the terms and conditions, applicable to such services in areas in which it has not obtained Phase II pricing flexibility for such services, nor shall AT&T/BellSouth provide the aforementioned 15% discount to such price cap ILEC or affiliate thereof unless such ILEC makes generally available a reciprocal discount for any Ethernet service it offers outside of price cap regulation (hereinafter "Reciprocal Non-Price Cap Services"). Within 14 days of the Merger Closing Date, AT&T/BellSouth will provide notice of this commitment to each price cap ILEC that purchases, or that has an affiliate that purchases, services subject to this commitment from an AT&T/BellSouth ILEC. If within 30 days thereafter, such price cap ILEC does not: (i) affirmatively inform AT&T/BellSouth and the Commission of its intent to sell Reciprocal Price Cap Services in areas where it has received Phase II pricing flexibility for such services at the rates, terms, and conditions that apply in areas where it has

[7] Neither this merger commitment nor any other merger commitment herein shall be construed to require AT&T/BellSouth to provide any service through a separate affiliate if AT&T/BellSouth is not otherwise required by law to establish or maintain such separate affiliate.

[8] The Ethernet services subject to this commitment are AT&T's interstate OPT-E-MAN, GigaMAN and DecaMAN services and BellSouth's interstate Metro Ethernet Service.

[9] The Phase II Pricing Flexibility Provisions for DS1 and DS3 services are those set forth in Ameritech Tariff FCC No. 2, Section 21; Pacific Bell Tariff FCC No. 1, Section 31; Nevada Bell Tariff FCC No. 1, Section 22; Southwestern Bell Telephone Company Tariff FCC No. 73, Section 39; Southern New England Telephone Tariff FCC No. 39, Section 24; and BellSouth Telecommunications Tariff FCC No. 1, Section 23.

[10] For purposes of this commitment, the term "price cap ILEC" refers to an incumbent local exchange carrier that is subject to price cap regulation and all of its affiliates that are subject to price cap regulation. The term "affiliate" means an affiliate as defined in 47 U.S.C. § 153(1) and is not limited to affiliates that are subject to price cap regulation.

not received such flexibility, and to provide a 15% discount on Reciprocal Non-Price Cap Services; and (ii) file tariff revisions that would implement such changes within 90 days of the Merger Closing Date (a "Non-Reciprocating Carrier"), the AT&T/BellSouth ILECs shall be deemed by the FCC to have substantial cause to make any necessary revisions to the tariffs under which they provide the services subject to this commitment to such Non-Reciprocating Carrier, including any affiliates, to prevent or offset any change in the effective rate charged such entities for such services. The AT&T/BellSouth ILECs will file all tariff revisions necessary to effectuate this commitment, including any provisions addressing Non-Reciprocating Carriers and their affiliates, within 90 days from the Merger Closing Date.

7. AT&T/BellSouth will not oppose any request by a purchaser of interstate special access services for mediation by Commission staff of disputes relating to AT&T/BellSouth's compliance with the rates, terms, and conditions set forth in its interstate special access tariffs and pricing flexibility contracts or to the lawfulness of the rates, terms, and conditions in such tariffs and contracts, nor shall AT&T/BellSouth oppose any request that such disputes be accepted by the Commission onto the Accelerated Docket.

8. The AT&T/BellSouth ILECs will not include in any pricing flexibility contract or tariff filed with the Commission after the Merger Closing Date access service ratio terms which limit the extent to which customers may obtain transmission services as UNEs, rather than special access services.

9. Within 60 days after the Merger Closing Date, the AT&T/BellSouth ILECs will file one or more interstate tariffs that make available to customers of DS1, DS3, and Ethernet service reasonable volume and term discounts without minimum annual revenue commitments (MARCs) or growth discounts. To the extent an AT&T/BellSouth ILEC files an interstate tariff for DS1, DS3, or Ethernet services with a varying MARC, it will at the same time file an interstate tariff for such services with a fixed MARC. For purposes of these commitments, a MARC is a requirement that the customer maintain a minimum specified level of spending for specified services per year.

10. If, during the course of any negotiation for an interstate pricing flexibility contract, AT&T/BellSouth offers a proposal that includes a MARC, AT&T/BellSouth will offer an alternative proposal that gives the customer the option of obtaining a volume and/or term discount(s) without a MARC. If, during the course of any negotiation for an interstate pricing flexibility contract, AT&T/BellSouth offers a proposal that includes a MARC that varies over the life of the contract, AT&T/BellSouth will offer an alternative proposal that includes a fixed MARC.

11. Within 14 days of the Merger Closing Date, the AT&T/BellSouth ILECs will give notice to customers of AT&T/BellSouth with interstate pricing flexibility contracts that provide for a MARC that varies over the life of the contract that, within 45 days of such notice, customers may elect to freeze, for the remaining term of such pricing flexibility contract, the MARC in effect as of the Merger Closing Date, provided that the customer also freezes, for the remaining term of such pricing flexibility contract, the contract discount rate (or specified rate if the contract sets forth specific rates rather than discounts off of referenced tariffed rates) in effect as of the Merger Closing Date.

Transit Service

The AT&T and BellSouth ILECs will not increase the rates paid by existing customers for their existing tandem transit service arrangements that the AT&T and BellSouth ILECs provide in the AT&T/BellSouth in-region territory.[11]

ADSL Service[12]

1. Within twelve months of the Merger Closing Date, AT&T/BellSouth will deploy and offer within the BellSouth in-region territory ADSL service to ADSL-capable customers without requiring such customers to also purchase circuit switched voice grade telephone service. AT&T/BellSouth will continue to offer this service in each state for thirty months after the "Implementation Date" in that state. For purposes of this commitment, the "Implementation Date" for a state shall be the date on which AT&T/BellSouth can offer this service to eighty percent of the ADSL-capable premises in BellSouth's in-region territory in that state.[13] Within twenty days after meeting the Implementation Date in a state, AT&T/BellSouth will file a letter with the Commission certifying to that effect. In all events, this commitment will terminate no later than forty-two months after the Merger Closing Date.

2. AT&T/BellSouth will extend until thirty months after the Merger Closing Date the availability within AT&T's in-region territory of ADSL service, as described in the ADSL Service Merger Condition, set forth in Appendix F of the *SBC/AT&T Merger Order* (FCC 05-183).

3. Within twelve months of the Merger Closing Date, AT&T/BellSouth will make available in its in-region territory an ADSL service capable of speeds up to 768 Kbps to ADSL-capable customers without requiring such customers to also purchase circuit switched voice grade telephone service ("Stand Alone 768 Kbps service"). AT&T/BellSouth will continue to offer the 768 Kbps service in a state for thirty months after the "Stand Alone 768 Kbps Implementation Date" for that state. For purposes of this commitment, the "Stand Alone 768 Kbps Implementation Date" for a state shall be the date on which AT&T/BellSouth can offer the Stand Alone 768 Kbps service to eighty percent of the ADSL-capable premises in AT&T/BellSouth's in-region territory in that state. The Stand Alone 768 Kbps service will be offered at a rate of not more than $19.95 per month (exclusive of regulatory fees and taxes). AT&T/BellSouth may make available such services at other speeds at prices that are competitive with the broadband market taken as a whole.

ADSL Transmission Service

AT&T/BellSouth will offer to Internet service providers, for their provision of broadband Internet access service to ADSL-capable retail customer premises, ADSL transmission service in the combined

[11] Tandem transit service means tandem-switched transport service provided to an originating carrier in order to indirectly send intraLATA traffic subject to § 251(b)(5) of the Communications Act of 1934, as amended, to a terminating carrier, and includes tandem switching functionality and tandem switched transport functionality between an AT&T/BellSouth tandem switch location and the terminating carrier.

[12] The commitments set forth under the heading "ADSL Service" are, by their terms, available to retail customers only. Wholesale commitments are addressed separately under the heading "ADSL Transmission Service."

[13] After meeting the implementation date in each state, AT&T/BellSouth will continue deployment so that it can offer the service to all ADSL-capable premises in its in-region territory within twelve months of the Merger Closing Date.

AT&T/BellSouth territory that is functionally the same as the service AT&T offered within the AT&T in-region territory as of the Merger Closing Date.[14] Such wholesale offering will be at a price not greater than the retail price in a state for ADSL service that is separately purchased by customers who also subscribe to AT&T/BellSouth local telephone service.

Net Neutrality

1. Effective on the Merger Closing Date, and continuing for 30 months thereafter, AT&T/BellSouth will conduct business in a manner that comports with the principles set forth in the Commission's Policy Statement, issued September 23, 2005 (FCC 05-151).

2. AT&T/BellSouth also commits that it will maintain a neutral network and neutral routing in its wireline broadband Internet access service.[15] This commitment shall be satisfied by AT&T/BellSouth's agreement not to provide or to sell to Internet content, application, or service providers, including those affiliated with AT&T/BellSouth, any service that privileges, degrades or prioritizes any packet transmitted over AT&T/BellSouth's wireline broadband Internet access service based on its source, ownership or destination.

This commitment shall apply to AT&T/BellSouth's wireline broadband Internet access service from the network side of the customer premise equipment up to and including the Internet Exchange Point closest to the customer's premise, defined as the point of interconnection that is logically, temporally or physically closest to the customer's premise where public or private Internet backbone networks freely exchange Internet packets.

This commitment does not apply to AT&T/BellSouth's enterprise managed IP services, defined as services available only to enterprise customers[16] that are separate services from, and can be purchased without, AT&T/BellSouth's wireline broadband Internet access service, including, but not limited to, virtual private network (VPN) services provided to enterprise customers. This commitment also does not apply to AT&T/BellSouth's Internet Protocol television (IPTV) service. These exclusions shall not result in the privileging, degradation, or prioritization of packets transmitted or received by AT&T/BellSouth's non-enterprise customers' wireline broadband Internet access service from the network side of the customer premise equipment up to and including the Internet Exchange Point closest to the customer's premise, as defined above.

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[14] An ADSL transmission service shall be considered "functionally the same" as the service AT&T offered within the AT&T in-region territory as of the Merger Closing Date if the ADSL transmission service relies on ATM transport from the DSLAM (or equivalent device) to the interface with the Internet service provider, and provides a maximum asymmetrical downstream speed of 1.5Mbps or 3.0Mbps, or a maximum symmetrical upstream/downstream speed of 384Kbps or 416Kbps, where each respective speed is available (the "Broadband ADSL Transmission Service"). Nothing in this commitment shall require AT&T/BellSouth to serve any geographic areas it currently does not serve with Broadband ADSL Transmission Service or to provide Internet service providers with broadband Internet access transmission technology that was not offered by AT&T to such providers in its in-region territory as of the Merger Closing Date.

[15] For purposes of this commitment, AT&T/BellSouth's wireline broadband Internet access service and its Wi-Max fixed wireless broadband Internet access service are, collectively, AT&T/BellSouth's "wireline broadband Internet access service."

[16] "Enterprise customers" refers to that class of customer identified as enterprise customers on AT&T's website (http://www.att.com) as of December 28, 2006.

This commitment shall sunset on the earlier of (1) two years from the Merger Closing Date, or (2) the effective date of any legislation enacted by Congress subsequent to the Merger Closing Date that substantially addresses "network neutrality" obligations of broadband Internet access providers, including, but not limited to, any legislation that substantially addresses the privileging, degradation, or prioritization of broadband Internet access traffic.

Internet Backbone

1. For a period of three years after the Merger Closing Date, AT&T/BellSouth will maintain at least as many discrete settlement-free peering arrangements for Internet backbone services with domestic operating entities within the United States as they did on the Merger Closing Date, provided that the number of settlement-free peering arrangements that AT&T/BellSouth is required to maintain hereunder shall be adjusted downward to account for any mergers, acquisitions, or bankruptcies by existing peering entities or the voluntary election by a peering entity to discontinue its peering arrangement. If on the Merger Closing Date, AT&T and BellSouth both maintain a settlement free peering arrangement for Internet backbone services with the same entity (or an affiliate thereof), the separate arrangements shall count as one settlement-free peering arrangement for purposes of determining the number of discrete peering entities with whom AT&T/BellSouth must peer pursuant to this commitment. AT&T/BellSouth may waive terms of its published peering policy to the extent necessary to maintain the number of peering arrangements required by this commitment. Notwithstanding the above, if within three years after the Merger Closing Date, one of the ten largest entities with which AT&T/BellSouth engages in settlement free peering for Internet backbone services (as measured by traffic volume delivered to AT&T/BellSouth's backbone network facilities by such entity) terminates its peering arrangement with AT&T/BellSouth for any reason (including bankruptcy, acquisition, or merger), AT&T/BellSouth will replace that peering arrangement with another settlement free peering arrangement and shall not adjust its total number of settlement free peers downward as a result.

2. Within thirty days after the Merger Closing Date, and continuing for three years thereafter, AT&T/BellSouth will post its peering policy on a publicly accessible website. During this three-year period, AT&T/BellSouth will post any revisions to its peering policy on a timely basis as they occur.

Forbearance

1. AT&T/BellSouth will not seek or give effect to a ruling, including through a forbearance petition under section 10 of the Communications Act (the "Act") 47 U.S.C. 160, or any other petition, altering the status of any facility being currently offered as a loop or transport UNE under section 251(c)(3) of the Act.

2. AT&T/BellSouth will not seek or give effect to any future grant of forbearance that diminishes or supersedes the merged entity's obligations or responsibilities under these merger commitments during the period in which those obligations are in effect.

Wireless

1. AT&T/BellSouth shall assign and/or transfer to an unaffiliated third party all of the 2.5 GHz spectrum (broadband radio service (BRS)/educational broadband service (EBS)) currently licensed to or leased by BellSouth within one year of the Merger Closing Date.

2. By July 21, 2010, AT&T/BellSouth agrees to: (1) offer service in the 2.3 GHz band to 25% of the population in the service area of AT&T/BellSouth's wireless communications services (WCS) licenses,

for mobile or fixed point-to-multi-point services, or (2) construct at least five permanent links per one million people in the service area of AT&T/BellSouth's WCS licenses, for fixed point-to-point services. In the event AT&T/BellSouth fails to meet either of these service requirements, AT&T/BellSouth will forfeit the unconstructed portion of the individual WCS licenses for which it did not meet either of these service requirements as of July 21, 2010; provided, however, that in the event the Commission extends the July 21, 2010, buildout date for 2.3GHz service for the WCS industry at large ("Extended Date"), the July 21, 2010 buildout date specified herein shall be modified to conform to the Extended Date. The wireless commitments set forth above do not apply to any 2.3 GHz wireless spectrum held by AT&T/BellSouth in the state of Alaska.

Divestiture of Facilities

Within twelve months of the Merger Closing Date, AT&T/BellSouth will sell to an unaffiliated third party(ies) an indefeasible right of use ("IRU") to fiber strands within the existing "Lateral Connections," as that term is defined in the *SBC/AT&T Consent Decree*,[17] to the buildings listed in Attachment B to this Appendix F ("BellSouth Divestiture Assets"). These divestitures will be effected in a manner consistent with the divestiture framework agreed to in the *SBC/AT&T Consent Decree*, provided that such divestitures will be subject to approval by the FCC, rather than the Department of Justice.

Tunney Act

AT&T is a party to a Consent Decree entered into following the merger of SBC and AT&T (the "Consent Decree"). The Consent Decree documents the terms under which AT&T agreed to divest special access facilities serving 383 buildings within the former SBC in-region ILEC territory (the "SBC Divestiture Assets"). In its Order approving the AT&T/SBC merger, the Commission also required the divestiture of these same facilities on the terms and conditions contained in the Consent Decree. The Consent Decree is currently under review pursuant to the Tunney Act in the U.S. District Court for the District of Columbia (the "Court") in U.S. v. SBC Communications, Inc. and AT&T Corp., Civil Action No. 1:05CV02102 (EGS) (D.D.C.), where the Court is reviewing the adequacy of the remedy contained in the Consent Decree to address the competitive concerns described in the Complaint filed by the Department of Justice (DOJ).

If it is found in a final, non-appealable order, that the remedy in the Consent Decree is not adequate to address the concerns raised in the Complaint and AT&T and the DOJ agree to a modification of the Consent Decree (the "Modified Consent Decree"), then AT&T agrees that (1) AT&T/BellSouth will conform its divestiture of the BellSouth Divestiture Assets to the terms of the Modified Consent Decree; and (2) AT&T/BellSouth will negotiate in good faith with the Commission to determine whether the conditions imposed on AT&T/BellSouth in the Commission order approving the merger of AT&T and BellSouth satisfies, with respect to the BellSouth territory, the concerns addressed in the Modified Consent Decree.

Certification

AT&T/BellSouth shall annually file a declaration by an officer of the corporation attesting that AT&T/BellSouth has substantially complied with the terms of these commitments in all material

[17] *See United States v. SBC Communications, Inc.*, Civil Action No. 1:05CV02102, Final Judgment (D.D.C. filed Oct. 27, 2005).

respects. The first declaration shall be filed 45 days following the one-year anniversary of the Merger Closing Date, and the second, third, and fourth declarations shall be filed one, two, and three years thereafter, respectively.

Conditions
ATTACHMENT A

Service Quality Measurement Plan
For Interstate Special Access

Contents

Section 1: Ordering

FOCT: Firm Order Confirmation (FOC) Timeliness

Definition
Firm Order Confirmation (FOC) Timeliness measures the percentage of FOCs returned within the Company-specified standard interval.

Exclusions
- Service requests identified as "Projects" or "ICBs"
- Service requests cancelled by the originator
- Weekends and designated holidays of the service center
- Unsolicited FOCs
- Administrative or test service requests
- Service requests that indicate that no confirmation/response should be sent
- Other exclusions as defined by each RBOC to reflect system and operational differences

Business Rules
Counts are based on the first instance of a FOC being sent in response to an ASR. Activity starting on a weekend or holiday will reflect a start date of the next business day. Activity ending on a weekend or holiday will be calculated with an end date of the last previous business day. Requests received after the company's stated cutoff time will be counted as a "zero" day interval if the FOC is sent by close of business on the next business day. The standard interval will be that which is specified in the company-specific ordering guide.

Calculation
Firm Order Confirmation (FOC) Interval = (a - b)
- a = Date and time FOC is returned
- b = Date and time valid access service request is received

Percent within Standard Interval = (c / d) X 100
- c = Number of service requests confirmed within the designated interval
- d = Total number of service requests confirmed in the reporting period

Report Structure
- Non-Affiliates Aggregate
- RBOC Affiliates Aggregate
  - RBOC 272 Affiliates Aggregate

Geographic Scope
- State

SQM Disaggregation (Percent FOCs returned within Standard Interval)
- Special Access – DS0
- Special Access – DS1
- Special Access – DS3 and above

Section 2: Provisioning

PIAM: Percent Installation Appointments Met

Definition
Percent Installation Appointments Met measures the percentage of installations completed on or before the confirmed due date.

Exclusions
- Orders issued and subsequently cancelled
- Orders associated with internal or administrative (including test) activities
- Disconnect Orders
- Other exclusions as defined by each RBOC to reflect system and operational differences

Business Rules
This measurement is calculated by dividing the number of service orders completed during the reporting period, on or before the confirmed due date, by the total number of orders completed during the same reporting period. Installation appointments missed because of customer caused reasons shall be counted as met and included in both the numerator and denominator. Where there are multiple missed appointment codes, each RBOC will determine whether an order is considered missed.

Calculation
Percent Installation Appointments Met = (a / b) X 100
- a = Number of orders completed on or before the RBOC confirmed due date during the reporting period
- b = Total number of orders where completion has been confirmed during the reporting period

Report Structure
- Non-Affiliates Aggregate
- RBOC Affiliates Aggregate
  - RBOC 272 Affiliates Aggregate

Geographic Scope
- State

SQM Disaggregation
- Special Access – DS0
- Special Access – DS1
- Special Access – DS3 and above

NITR: New Installation Trouble Report Rate

Definition
New Installation Trouble Report Rate measures the percentage of circuits or orders where a trouble was found in RBOC facilities or equipment within thirty days of order completion.

Exclusions
- Trouble tickets issued and subsequently cancelled
- Customer Provided Equipment (CPE) or customer caused troubles
- Troubles closed by the technician to disposition codes of IEC (Inter-exchange Carrier) or INF (Information)
- RBOC troubles associated with administrative service
- No Trouble Found (NTF) and Test OK (TOK)
- Other exclusions defined by each RBOC to reflect system and operational differences
- Subsequent trouble reports

Business Rules
Only the first customer direct trouble report received within thirty calendar days of a completed service order is counted in this measure. Only customer direct trouble reports that required the RBOC to repair a portion of the RBOC network will be counted in this measure. The RBOC completion date is when the RBOC completes installation of the circuit or order.

Calculation
Trouble Report Rate within 30 Calendar Days of Installation = (a / b) X 100
- a = Count of circuits/orders with trouble reports within 30 calendar days of installation
- b = Total number of circuits/orders installed in the reporting period

Report Structure
- Non-Affiliates Aggregate
- RBOC Affiliates Aggregate
  - RBOC 272 Affiliates Aggregate

Geographic Scope
- State

SQM Disaggregation
- Special Access – DS0
- Special Access – DS1
- Special Access – DS3 and above

Section 3: Maintenance & Repair

CTRR: Failure Rate/Trouble Report Rate

Definition
The percentage of initial and repeated circuit-specific trouble reports completed per 100 in-service circuits for the reporting period.

Exclusions
- Trouble reports issued and subsequently cancelled
- Employee initiated trouble reports
- Trouble reports/circuits associated with internal or administrative activities
- Customer Provided Equipment (CPE) or customer caused troubles
- Troubles closed by the technician to disposition codes of IEC (Inter-exchange Carrier) or INF (Information)
- Tie Circuits
- No Trouble Found (NTF) and Test OK (TOK)
- Other exclusions as defined by each RBOC to reflect system and operational differences

Business Rules
Only customer direct trouble reports that require the RBOC to repair a portion of the RBOC network will be counted in this report. The trouble report rate is computed by dividing the number of completed trouble reports handled during the reporting period by the total number of in-service circuits for the same period.

Calculation
Percent Trouble Report Rate = (a / b) X 100
- a = Number of completed circuit-specific trouble reports received during the reporting period
- b = Total number of in-service circuits during the reporting period

Report Structure
- Non-Affiliates Aggregate
- RBOC Affiliates Aggregate
  - RBOC 272 Affiliates Aggregate

Geographic Scope
- State

SQM Disaggregation
- Special Access – DS0
- Special Access – DS1
- Special Access – DS3 and above

MAD: Average Repair Interval/Mean Time to Restore

Definition
The Average Repair Interval/Mean Time to Restore is the average time between the receipt of a customer trouble report and the time the service is restored. The average outage duration is only calculated for completed circuit-specific trouble reports.

Exclusions
- Trouble reports issued and subsequently cancelled
- Employee initiated trouble reports
- Trouble reports associated with internal or administrative activities
- Customer Provided Equipment (CPE) or customer caused troubles
- Troubles closed by the technician to disposition codes of IEC (Inter-exchange Carrier) or INF (Information)
- Tie Circuits
- No Trouble Found (NTF) and Test OK (TOK)
- Other exclusions as defined by each RBOC to reflect system and operational differences

Business Rules
Only customer direct trouble reports that require the RBOC to repair a portion of the RBOC network will be counted in this measure. The average outage duration is calculated for each restored circuit with a trouble report. The start time begins with the receipt of the trouble report and ends when the service is restored. This is reported in a manner such that customer hold time or delay maintenance time resulting from verifiable situations of no access to the end user premise, other CLEC/IXC or RBOC retail customer caused delays, such as holding the ticket open for monitoring, is deducted from the total resolution interval ("stop clock" basis).

Calculation
Repair Interval = (a – b)
- a = Date and time trouble report was restored
- b = Date and time trouble report was received

Average Repair Interval = (c / d)
- c = Total of all repair intervals (in hours/days) for the reporting period
- d = Total number of trouble reports closed during the reporting period

Report Structure
- Non-Affiliates Aggregate
- RBOC Affiliates Aggregate
  - RBOC 272 Affiliates Aggregate

Geographic Scope
- State

SQM Disaggregation
- Special Access – DS0
- Special Access – DS1
- Special Access – DS3 and above

GLOSSARY

Access Service Request (ASR)	A request to the RBOC to order new access service, or request a change to existing service, which provides access to the local exchange company's network under terms specified in the local exchange company's special or switched access tariffs.
RBOC 272 Affiliates Aggregate	RBOC Affiliate(s) authorized to provide long distance service as a result of the Section 271 approval process.
RBOC Affiliates Aggregate	RBOC Telecommunications and all RBOC Affiliates (including the 272 Affiliate). Post sunset, comparable line of business (e.g., 272 line of business) will be included in this category.
Business Days	Monday thru Friday (8AM to 5PM) excluding holidays
CPE	Customer Provided or Premises Equipment
Customer Not Ready (CNR)	A verifiable situation beyond the normal control of the RBOC that prevents the RBOC from completing an order, including the following: CLEC or IXC is not ready to receive service; end user is not ready to receive service; connecting company or CPE supplier is not ready.
Firm Order Confirmation (FOC)	The notice returned from the RBOC, in response to an Access Service Request from a CLEC, IXC or affiliate, that confirms receipt of the request and creation of a service order with an assigned due date.
Unsolicited FOC	An Unsolicited FOC is a supplemental FOC issued by the RBOC to change the due date or for other reasons, e.g., request for a second copy from the CLEC/IXC, although no change to the ASR was requested by the CLEC or IXC.
Project or ICB	Service requests that exceed the line size and/or level of complexity that would allow the use of standard ordering and provisioning interval and processes. Service requests requiring special handling.
Repeat Trouble	Trouble that reoccurs on the same telephone number/circuit ID within 30 calendar days
Service Orders	Refers to all orders for new or additional lines/circuits. For change order types, additional lines/circuits consist of all C order types with "I" and "T" action coded line/circuit USOCs that represent new or additional lines/circuits, including conversions for RBOC to Carrier and Carrier to Carrier.

Conditions
ATTACHMENT B

Building List

Metro Area	CLLI	Address	City	State	Zip Code
Atlanta	ALPRGAVP	5965 CABOT PKWY	ALPHARETTA	GA	30005
Atlanta	ATLNGABI	2751 BUFORD HWY NE	ATLANTA	GA	30324
Atlanta	CHMBGAJG	2013 FLIGHTWAY DR	CHAMBLEE	GA	30341
Atlanta	NRCRGAER	6675 JONES MILL CT	NORCROSS	GA	30092
Atlanta	NRCRGAIJ	4725 PEACHTREE CORNERS CIR	NORCROSS	GA	30092
Atlanta	NRCRGANX	3795 DATA DR NW	NORCROSS	GA	30092
Atlanta	NRCRGARC	335 RESEARCH CT	NORCROSS	GA	30092
Birmingham	BRHMALKU	101 LEAF LAKE PKWY	BIRMINGHAM	AL	35211
Charlotte	CHRMNCXI	2605 WATER RIDGE PKWY	CHARLOTTE	NC	28217
Chattanooga	CHTGTNAC	537 MARKET ST	CHATTANOOGA	TN	37402
Jacksonville	JCVNFLHK	10201 CENTURION PKWY N	JACKSONVILLE	FL	32256
Knoxville	KNVLTNHB	8057 RAY MEARS BLVD	KNOXVILLE	TN	37919
Knoxville	KNVNTN82	2160 LAKESIDE CENTER WAY	KNOXVILLE	TN	37922
Miami	BCRTFLAU	851 NW BROKEN SOUND PKWY	BOCA RATON	FL	33487
Miami	BCRTFLCM	501 E CAMINO REAL	BOCA RATON	FL	33432
Miami	DLBHFLDU	360 N CONGRESS AVE	DELRAY BEACH	FL	33445
Miami	JPTRFLAC	100 MARQUETTE DR	JUPITER	FL	33458
Miami	JPTRFLBC	1001 N USHWY 1	JUPITER	FL	33477
Miami	PLNBFLAZ	1601 SW 80TH TER	PLANTATION	FL	33324
Miami	PLNBFLCQ	1800 NW 69TH AVE	PLANTATION	FL	33313
Miami	SUNRFLCF	720 INTERNATIONAL PKWY	SUNRISE	FL	33325
Nashville	BRWDTNEV	210 WESTWOOD PL	BRENTWOOD	TN	37027
Nashville	NSVLTNIH	1215 21ST AVE S	NASHVILLE	TN	37212
Nashville	NSVLTNWL	28 OPRYLAND DR	NASHVILLE	TN	37204
Nashville	NSVNTNFO	252 OPRY MILLS DR	NASHVILLE	TN	37214
Nashville	NSVPTNIJ	332 OPRY MILLS DR	NASHVILLE	TN	37214
Nashville	NSVPTN98	427 OPRY MILLS DR	NASHVILLE	TN	37214
Nashville	NSVPTNJX	540 OPRY MILLS DR	NASHVILLE	TN	37214
Miami	LDHLFLAC	4300 N UNIVERSITY DR	LAUDERHILL	FL	33351
Miami	SUNRFLBD	440 SAWGRASS CORP. PARKWAY	SUNRISE	FL	33325
Orlando	ORLFFLYL	8350 PARKLINE BLVD	ORLANDO	FL	32809

EXHIBIT PLF-5

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of	)	
	)	
AT&T Inc. and BellSouth Corporation	)	WC Docket No. 06-74
Applications for Approval of Transfer of	)	DA 06-2035
Control	)	
	)	

COMMENTS ON AT&T'S PROPOSED CONDITIONS

ADVANCE/NEWHOUSE COMMUNICATIONS
CABLEVISION SYSTEMS CORPORATION
CHARTER COMMUNICATIONS
COX COMMUNICATIONS, AND
INSIGHT COMMUNICATIONS COMPANY

Dated: October 24, 2006

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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of	)	
	)	
Application for Consent to Transfer of Control Filed by AT&T Inc. and BellSouth Corporation	)	WC Docket No. 06-74
	)	DA 06-2035
	)	
	)	

COMMENTS OF
ADVANCE/NEWHOUSE COMMUNICATIONS, CABLEVISION SYSTEMS CORPORATION, CHARTER COMMUNICATIONS, COX COMMUNICATIONS, AND INSIGHT COMMUNICATIONS COMPANY
ON AT&T'S PROPOSED CONDITIONS

Pursuant to the October 13, 2006 Public Notice[1/] issued by the Federal Communications Commission ("Commission") in the above-captioned proceeding, Advance/Newhouse Communications, Cablevision Systems Corporation, Charter Communications, Cox Communications, and Insight Communications Company ("the Cable Companies"), by and through their counsel, hereby submit these comments on the merger conditions proffered by AT&T and BellSouth. These comments also respond to AT&T's *ex parte* letter dated October 3, 2006 that addressed conditions proposed by the Cable Companies on September 27, 2006.[2/]

AT&T's failure to include the interconnection-related conditions proposed by the Cable Companies, with the exception of a limited condition on transiting, renders its proposal

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1/ *Application for Consent to Transfer of Control Filed by AT&T Inc. and BellSouth Corporation, Commission Seeks Comment on Proposals Submitted by AT&T Inc. and BellSouth Corporation*, WC Docket No. 06-74, Public Notice, DA 06-2035 (rel. Oct. 13, 2006). The Wireline Competition Bureau released an erratum to the public notice on October 16, 2006. *See Application for Consent to Transfer of Control Filed by AT&T Inc. and BellSouth Corporation, Commission Seeks Comment on Proposals Submitted by AT&T Inc. and BellSouth Corporation*, WC Docket No. 06-74, Erratum (rel. Oct. 16, 2006) ("*Erratum*").

2/ Letter from Gary L. Phillips, AT&T Inc., and Bennett L. Ross, BellSouth Corporation, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 06-74 (Oct. 3, 2006) ("*AT&T Letter*").

inadequate. Even with respect to those matters for which AT&T has proffered conditions, including transiting and forbearance, the proposed conditions must be strengthened to provide even minimum protection against anticompetitive practices. These issues are discussed in greater detail below.

I. AT&T'S PROPOSED CONDITIONS ARE INADEQUATE BECAUSE THEY DO NOT ADDRESS INTERCONNECTION

AT&T's proposal fails to address the critical interconnection-related conditions required to ensure that the promise of robust competition between cable providers and AT&T is achieved. As explained in the Cable Companies' September 27, 2006 *ex parte* letter,[3/] the merger will greatly enhance the incentives and ability of AT&T to wield its market power over interconnection to undermine cable-provided voice services. These services, particularly as provided using voice over Internet protocol ("VoIP") technology, offer the only significant hope for widespread and sustainable facilities-based residential competition in the near future. To ensure that consumers reap the benefit of this competition, the Cable Companies proposed a narrow, targeted set of conditions that directly address the ability of AT&T to use its bottleneck control over interconnection to undermine cable-provided voice services.[4/]

AT&T's primary response to these conditions, filed on October 3, is to suggest that the cable providers "wait in line with the rest of the industry" to see if the Commission will address interconnection issues in its pending intercarrier compensation and IP-enabled services proceedings -- proceedings that have been pending before the Commission for years with no

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3/ Letter from Cody J. Harrison, Advance/Newhouse Communications, *et. al.*, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 06-74 (Sept. 27, 2006) ("*Cable Letter*").

4/ *Cable Letter* at 9-13 (asking the Commission to adopt measures that foster efficient interconnection and adopt conditions to reduce the cost and delay of interconnection negotiations).

definite deadline for conclusion.[5/] AT&T argues that there is no reason to single out cable companies for "special treatment" and acts as though the merger has nothing to do with cable competition.[6/] But it is AT&T that has singled out cable companies. AT&T identifies cable-provided voice services, particularly as provided as part of a bundle of voice, video, and broadband Internet services, as its most potent threat in the mass market.[7/] It touts as the primary benefit of the merger the significantly enhanced ability to compete against cable, particularly in the BellSouth region, that will result from the integration of the companies' wireline and wireless networks.[8/] To suggest that these facts will not increase AT&T's incentives to use the power it retains over interconnection to undermine its prime competitors is to ignore the entire history of telecommunications regulation.

AT&T is also wrong to suggest that the existence of pending rulemaking proceedings somehow precludes adoption of conditions addressing similar issues in merger proceedings.[9/] Its own actions in this proceeding and in SBC's acquisition of AT&T belie that argument. SBC's proposed conditions in its merger with legacy AT&T and the conditions proposed by AT&T here

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5/ *See Developing a Unified Intercarrier Compensation Regime,* Notice of Proposed Rulemaking, 16 FCC Rcd. 9610 (2001). In 2005 the Commission, seeking to refresh the record concerning the adoption of a uniform intercarrier compensation regime system, issued a further notice of proposed rulemaking. *See Developing a Unified Intercarrier Compensation Regime*, Further Notice of Proposed Rulemaking, 20 FCC Rcd. 4685 (2005); *see also IP-Enabled Services*, Notice of Proposed Rulemaking, 19 FCC Rcd. 4863 (2004).

6/ *AT&T Letter* at 1.

7/ *See, e.g., SBC Communications Inc. and AT&T Corp. Applications for Approval of Transfer of Control*, WC Docket No. 05-65, Memorandum Opinion and Order, 20 FCC Rcd. 18290, ¶ 87 (2005) ("*SBC/AT&T Merger Order*"); *BellSouth Corporation and AT&T Inc. Application Pursuant to Section 214 of the Communications Act of 1934 and Section 63.04 of the Commission's Rules for Consent to the Transfer of Control of BellSouth Corporation to AT&T Inc.*, WC Docket No. 06-74, Application for Transfer of Control, Description of Transaction, Public Interest Showing and Related Demonstration, at 88 (filed Mar. 31, 2006) ("*Public Interest Statement*").

8/ *See, e.g., Public Interest Statement* at 24.

directly relate to issues in pending rulemakings. For example, AT&T proposes conditions relating to special access pricing and performance metrics even though there are pending rulemakings addressing those very same issues.[10/] It also proposed conditions in both mergers relating to pricing for unbundled network elements ("UNEs") even though the Commission has a pending proceeding to review the UNE pricing methodology.[11/] Rather than the hard and fast rule against conditions that overlap issues in pending rulemakings that AT&T suggests, AT&T is really arguing that it should have the right to pick-and-choose which overlapping issues it will address in its mergers. The Commission certainly need not concede to such a self-serving policy.

Below, the Cable Companies respond to AT&T's specific objections regarding the Cable Companies' proposed conditions regarding the single point of interconnection, mitigating the costs of interconnection negotiation, and the applicability of sections 251 and 252 to cable VoIP providers as set forth in the Cable Companies' September 27 *ex parte* filing.

A. The Cable Companies' Proposed Single Point of Interconnection Condition Is Necessary to Ensure AT&T Complies with its Obligations

AT&T objects to a condition that would ensure that new entrants can choose technically feasible points of interconnection, including a single point of interconnection in a LATA, even though such a condition would merely ensure that it complies with existing rules and

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9/ *AT&T Letter* at 1-2.

10/ *See e.g.*, *Special Access Rates for Price Cap Local Exchange Carriers, AT&T Corp. Petition for Rulemaking to Reform Regulation of Incumbent Local Exchange Carrier Rates for Interstate Special Access Services*, Order and Notice of Proposed Rulemaking, 20 FCC Rcd. 1994 (2005); *see also Performance Measurements and Standards for Unbundled Network Elements and Interconnection*, Notice of Proposed Rulemaking, 16 FCC Rcd. 20641 (2001).

regulations.[12/] AT&T argues that it allows entrants to choose technically feasible interconnection arrangements and that the real dispute concerns who should bear the cost of delivering traffic to the point of interconnection ("POI").[13/]

In fact, AT&T's policy prevents competitors from choosing a single point of interconnection as a practical matter. Cox, for example, recently had to arbitrate this issue in Arkansas, Kansas, and Oklahoma because AT&T would have required Cox to establish further interconnection points in a LATA once traffic exceeded an arbitrary limit set by AT&T.[14/] Cox (and the CLEC Coalition, of which it was part) prevailed in these arbitrations, but it had to expend significant resources to confirm established Commission policy.

Charter similarly has experienced AT&T's refusal to comply with the single POI policy. In Illinois, for example, AT&T is demanding that Charter obtain interconnection trunks to every tandem in the LATA even though Charter is serving only two rate centers in the LATA.

11/ *Review of the Commission's Rules Regarding the Pricing of Unbundled Network Elements and the Resale of Service by Incumbent Local Exchange Carriers*, Notice of Proposed Rulemaking, 18 FCC Rcd. 18945 (2003).

12/ *See e.g., Petition of WorldCom, Inc. Pursuant to Section 252(e)(5) of the Communications Act for Preemption of the Jurisdiction of the Virginia State Corporation Commission Regarding Interconnection Disputes with Verizon Virginia Inc., and for Expedited Arbitration, et al.*, Memorandum Opinion and Order, 17 FCC Rcd. 27039, ¶ 52 (2002) ("*Virginia Arbitration Order*") ("Under the Commission's rules, competitive LECs may request interconnection at any technically feasible point. This includes that right to request a single point of interconnection....").

13/ *AT&T Letter* at 2, n.3.

14/ Docket No. 05-081-U, *Petition of Southwestern Bell Telephone, L.P. D/B/A SBC Arkansas for Compulsory Arbitration of Unresolved Issues for a Successor Interconnection Agreement to the Arkansas 271 Agreement ("A2A")*, Memorandum Opinion and Order (APSC Oct. 31, 2005) ("*Cox Arkansas Arbitration Order*"); *see also* Docket No. 05-BTKT-365-ARB, *In the Matter of the Petition of the CLEC Coalition for Arbitration against Southwestern Bell Telephone, L.P. d/b/a SBC Kansas under Section 252(b) of the Telecommunications Act of 1996*, Arbitrator's Determination (KCC June 6, 2005) ("*Cox Kansas Arbitration Order*"); Cause No. PUD 200400497, *Petition of CLEC Coalition for Arbitration against Southwestern Bell Telephone, L.P. d/b/a SBC Oklahoma under Section 252(b) of the Telecommunications Act of 1996*, Order No. 52219 (OCC March 24, 2006) ("*Cox Oklahoma Arbitration Order*").

Moreover, AT&T wants Charter to order two-way trunks despite the fact that the traffic will be one-way - from AT&T to Charter - and Charter would never utilize those trunks for its originating traffic. Likewise, in Wisconsin, AT&T is demanding that Charter obtain two-way trunks directly to each access tandem in the LATA. These types of requests add cost and inefficiency to Charter's network while making it easier and cheaper for AT&T to move its traffic on AT&T's side of the network. Further, AT&T is able to delay significantly Charter's entry as it insists on this type of interconnection even when there is no such requirement in law or in the applicable interconnection agreement.

AT&T's other objection to the Cable Companies' proposed condition on the point of interconnection -- that the "real" dispute is about who should pay to deliver traffic to the POI -- reveals the very problem that the Cable Companies' conditions are designed to redress. The Commission's rules clearly require each provider to bear the financial burden of delivering their originating traffic to the point of interconnection.[15/] By persistently disputing requirements that are clearly set forth in the Communications Act of 1934, as amended ("Act"), and the Commission's rules, AT&T unnecessarily raises its rivals' costs and delays market entry.

The Cable Companies therefore propose the following condition to confirm the single POI rule and to confirm that each party bears the financial responsibility to bring their originating traffic to the POI:

> Single POI per LATA
>
> AT&T/BellSouth shall permit competitive providers to choose a single, technically feasible point of interconnection ("POI") on AT&T/BellSouth's network, including choosing a single point of

15/ *Virginia Arbitration Order* ¶ 52 ("[U]nder [the Commission's] rules, to the extent an incumbent LEC delivers to the point of interconnection its own originating traffic that is subject to reciprocal compensation, the incumbent LEC is required to bear financial responsibility for that traffic.").

> interconnection in a LATA. AT&T/BellSouth and the competitive provider shall each bear the financial responsibility for bringing their originating traffic that is subject to section 251(b)(5) of the Act to the chosen point of interconnection. AT&T/BellSouth and the competitive provider may mutually agree to establish additional points of interconnection as justified by sound network engineering and business practices. AT&T/BellSouth cannot unilaterally require the competitive provider to establish additional POIs based on levels of traffic set solely by AT&T/BellSouth.

Adoption of this condition will preclude AT&T from raising its rivals' costs by continually asserting its anticompetitive, multi-POI policy.

B. The Cable Companies' Proposed Conditions Mitigate Unnecessary Transaction Costs Imposed by AT&T

The location of points of interconnection is not the only issue on which AT&T acts to impose unnecessary arbitration costs on its competitors. AT&T uses many different stall tactics for the sole purpose of increasing negotiation costs. For example, AT&T often forces cable providers to arbitrate interconnection terms that the state commission has already concluded AT&T must provide. AT&T's affiliate in Connecticut, Southern New England Telephone ("SNET"), for example, forced Cablevision to arbitrate its request that the carriers exchange traffic on a bill and keep basis, even though SNET previously agreed to a bill and keep arrangement with Cablevision and offered bill and keep to legacy AT&T.[16/] When Cablevision's agreement was due for renewal, it requested that the parties maintain their existing agreement, including the bill and keep arrangement. SNET refused, even though during the negotiations it entered into a voluntarily negotiated agreement with AT&T that included a bill and keep arrangement. Moreover, at a time when carriers could pick-and-choose portions of an

agreement, SNET also refused to allow Cablevision to adopt portions of the AT&T/SNET agreement despite allowing AT&T's affiliate, TCG, to opt into the same agreement. Cablevision was forced to file a petition for arbitration simply to exercise its legal rights to obtain the same arrangements SNET voluntarily provided to other similarly situated carriers and which it previously provided to Cablevision.[17/]

It is because of the types of practices discussed above[18/] that the Cable Companies proposed several conditions designed to mitigate AT&T's ability to impose on them the costs of protracted negotiations and arbitrations.[19/] These conditions will streamline the negotiation process, a goal that AT&T, which also must expend time and resources negotiating and arbitrating agreements, should readily embrace. The Cable Companies, for example, proposed that competitors be permitted: (1) to opt into any negotiated or arbitrated interconnection agreement approved and effective in any AT&T/BellSouth in-region state, subject to state

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16/ The Cable Companies proposed a condition that would permit bill and keep, a very efficient method of exchanging VoIP traffic, at the request of the cable provider. Such a condition would preclude the type of stalling tactics engaged in by SNET.

17/ Docket No. 02-07-05, *Petition of Cablevision Lightpath - CT, Inc. for Arbitration Pursuant to Sections 252(b) and 252(i) of the Telecommunications Act of 1996 to Establish an Interconnection Agreement with The Southern New England Telephone Company ("SBC SNET")*, Cablevision Lightpath - CT, Inc. Petition for Arbitration (filed July 12, 2002). After reviewing the issue, the Connecticut Department of Public Utility Control determined that denying Cablevision access to the same arrangements other carriers were permitted to obtain would be discriminatory and unacceptable. SNET appealed the decision to federal district court, but later withdrew its appeal. *See* Docket No. 02-07-05, *Petition of Cablevision Lightpath – CT, Inc. for Arbitration Pursuant to Sections 252(b) and 252(i) of the Telecommunications Act of 1996 to Establish an Interconnection Agreement with The Southern New England Telephone Company*, Decision (CTDPUC Jan. 15, 2003) ("Arbitration Decision").

18/ The examples of interconnection-related abuses by AT&T's various operating companies set out in these comments thoroughly address AT&T's comment that the Cable Companies have failed to identify a single incident of discrimination. *AT&T Letter* at 4.

19/ *Cable Letter* at 9-12.

specific pricing or performance plans;[20/] (2) to extend the term of existing agreements; and (3) to use an expiring agreement as the baseline for a new agreement.

AT&T has said nothing about these conditions, which, to the best of the Cable Companies' knowledge, are not the subject of any pending rulemaking proceeding. Because competitors cannot begin providing service until interconnection terms have been resolved, AT&T has the ability, simply through the negotiation and arbitration process, to delay market entry. Similarly, AT&T/BellSouth (whose negotiating and arbitration resources dwarf those of its cable competitors)[21/] has the ability to increase cable's relative costs of providing competitive phone service to consumers far above the relative costs that AT&T/BellSouth incurs for such activities by forcing its competitors to arbitrate (and re-arbitrate) issues unnecessarily, by refusing to extend existing business arrangement, and by insisting on continually re-negotiating interconnection agreements (thereby forcing the Cable Companies to re-negotiate hundreds of terms not otherwise affected by intervening changes in the law and to expend far more resources than necessary). Accordingly, the Cable Companies propose the following conditions:

> Reducing Transaction Costs
>
> (1) AT&T/BellSouth shall make available any entire effective interconnection agreement, whether negotiated or arbitrated, that was or is entered into by AT&T/BellSouth or any affiliate, in any state in the merged entity's 22-state incumbent LEC operating territory, subject to technical feasibility and state-specific pricing and performance plans.
>
> (2) AT&T/BellSouth shall not refuse a request to opt into an agreement on the grounds that the agreement has not been

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20/ The Commission has adopted a similar condition in previous BOC mergers. *See e.g., Applications of Ameritech Corp., Transferor, and SBC Communications Inc., Transferee, for Consent to Transfer Control of Corporations Holding Commission Licenses and Lines Pursuant to Sections 214 and 310(d) of the Communications Act and Parts 5, 22, 24, 25, 63, 90, 95 and 101 of the Commission's Rules*, Memorandum Opinion and Order, 14 FCC Rcd. 14712, ¶ 388 (1999) ("*SBC/Ameritech Merger Order*").

21/ *See infra* n.32.

> amended to reflect changes of law, provided the requesting party agrees to negotiate an amendment regarding such change of law immediately after it has opted into the agreement.
>
> (3) AT&T/BellSouth shall allow a requesting party, at its option, to use the parties' pre-existing interconnection agreement as the starting point for negotiating a new agreement.
>
> (4) AT&T/BellSouth shall permit a party to extend the parties' current interconnection agreement, regardless of whether its initial term has expired, for a period of up to three years, subject to amendment to reflect changes of law after the agreement has been extended. During this period, the interconnection agreement may be terminated only via a competitor's request unless terminated pursuant to the agreement's "default" provisions.

The Cable Companies' proposed interconnection agreement-related conditions directly address AT&T's ability to engage in this form of anticompetitive behavior.

C. The Applicability of Section 251 and 252 to Cable VoIP Providers Should Be Addressed

The conditions proffered by the Cable Companies designed to solidify and make reasonably accessible the Act's interconnection obligations will be of little use if AT&T takes the position that section 251 protections and section 252 procedures are not available to cable VoIP providers. The Commission has recognized that the obligations imposed on ILECs by section 251 are required to check the market power of Bell Operating Companies ("BOCs") over interconnection, and this power is not diminished when cable companies offer competitive phone service using packet-switched, rather than circuit-switched, technology.[22/] The Cable Companies have thus proposed that AT&T may not refuse to abide by its section 251 and 252 obligations when requested by a cable voice provider, regardless of the technology or regulatory classification of the service.

22/ *Petition of Qwest Corporation for Forbearance Pursuant to 47 U.S.C. § 160(c) in the Omaha Metropolitan Statistical Area*, Memorandum Opinion and Order, 20 FCC Rcd. 19415, ¶ 84 (2005) ("*Qwest Forbearance Order*").

The importance of this requirement is highlighted by the fact that a similar obligation is included in the draft telecommunications legislation in both the House and the Senate.[23/] Notably, the Congressional Budget Office has confirmed that "based on government and industry sources, the incremental cost of making interconnection available to IP-enabled carriers would be minimal."[24/] Ensuring the applicability of sections 251 and 252 to requests for interconnection and network elements by cable VoIP providers, which AT&T has identified as its most potent competitive threat in the mass market, will in turn ensure that residential consumers will reap the benefits of competition.[25/]

AT&T has reportedly objected to this condition on several grounds, stating that cable companies "want to be treated as telecommunications providers but [it] can't confer that jurisdiction on [Cable VoIP providers]," and that AT&T "can't tell state regulatory commissions they have to start arbitrating [negotiations between VoIP providers and AT&T]."[26/] These arguments are distractions that elevate form over substance. As an initial matter, the Commission has historically predicated its approval of BOC mergers on the existence of broad

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23/ An Act to Promote the Deployment of Broadband Networks and Services, H.R. 5252 (House version), 109th Cong. § 301 (providing that "[a] facilities-based VOIP service provider shall have the same rights, duties, and obligations as a requesting telecommunications carrier under sections 251 and 252, if the provider elects to assert such rights"); H.R. 5252 (Senate version), 109th Cong. § 213 (same).

24/ Report of the Senate Committee on Commerce, Science, and Transportation on H.R. 5252 Together With Additional Views, S. REP. NO. 109-355, at 20 (2006).

25/ *See e.g.*, *Implementation of the Local Competition Provisions in the Telecommunications Act 1996; Interconnection between Local Exchange Carriers and Commercial Mobile Radio Service Providers*, 11 FCC Rcd. 15499, ¶ 179 ("*Local Competition Order*") (finding that national rules implementing section 251(c)(2) "are necessary to further Congress's goal of creating conditions that will facilitate the development of competition in the telephone exchange market.")

26/ Edie Herman, *AT&T Not Inclined to Offer More Merger Conditions, Quinn Says*, COMM. DAILY, Oct. 23, 2006, at 2. AT&T did not make this argument in its October 3, 2006 response to the Cable Companies' proposed conditions.

conditions designed to ameliorate the public interest harms of the merger.[27/] AT&T's proposed acquisition of BellSouth will harm the public interest if cable VoIP providers are unable to obtain from AT&T the same interconnection rights and protections that competitive local exchange carriers ("LECs") receive. There is nothing to suggest that the Commission is precluded from accepting a condition that AT&T effectively treat cable VoIP service providers as competitive carriers for interconnection purposes. Nor is there any doubt that the Commission has authority to make sections 251 and 252 available to cable VoIP providers.[28/] And, as discussed below, once the parties agree to negotiate and cannot reach agreement, the state commission has jurisdiction to arbitrate the issue.

More specifically, section 252 charges states with the obligation to mediate and arbitrate "any open issues" that arise in interconnection negotiations between incumbent LECs and requesting carriers.[29/] If, as a condition of this merger, the Commission determines that a cable VoIP provider should be treated as a requesting carrier for purposes of section 251, then a state commission would have the authority and the duty to participate in the arbitration between such a provider and AT&T and to approve and enforce any negotiated agreement by operation of section 252. The Commission, not AT&T, would be defining the scope of the section 252 process, as it has the authority to do under the Act. AT&T's claims to the contrary should be dismissed.

27/ *See, e.g., Application of GTE Corporation, Transferor, and Bell Atlantic Corporation, Transferee, for Consent to Transfer Control of Domestic and International Sections 214 and 310 Authorizations and Application to Transfer Control of a Submarine Cable Landing License*, Memorandum Opinion and Order, 15 FCC Rcd. 14032, ¶ 253 (2000); *SBC/Ameritech Merger Order* ¶ 52.

28/ *See AT&T Corp. v. Iowa Utilities Bd.*, 525 U.S. 266, 378 (1999) ("The FCC has rulemaking authority to carry out the 'provisions of the Act' which include sections 251 and 252, added by the Telecommunications Act of 1996.").

29/ 47 U.S.C. § 252(b).

It is no reason to reject *a priori* the Cable Companies' proffered condition on the grounds that a state commission might take the position that it has no jurisdiction to approve, arbitrate, or enforce an interconnection agreement between AT&T and a cable VoIP provider (although AT&T should, as part of the condition, be precluded from itself raising that issue either before the state commission in the first instance (or the Commission acting in the place of a state commission) or as the basis of an appeal of a state commission action). If a state commission raises such an objection, a cable VoIP provider can contest it in the context of the specific circumstances in which it is raised. If a state commission refuses to discharge its responsibility, the Commission could step in pursuant to section 252(e)(5) of the Act.

Finally, even if a state were to refuse to approve, arbitrate, or enforce an interconnection agreement between AT&T and a cable VoIP provider, the proposed condition has substantial pro-competitive value. At a minimum, it would permit a cable VoIP provider to opt into an existing interconnection agreement pursuant to section 252(i) of the Act. Regardless of whether the resulting agreement between AT&T and the cable VoIP provider is deemed by the state to be a section 252 agreement, it nevertheless is a contractual obligation binding AT&T to provide the agreement's interconnection services to the cable VoIP provider. Such an agreement is enforceable as a matter of contract law. Furthermore, any failure on the part of AT&T to make section 251 interconnection available to cable VoIP providers would be enforceable as a merger condition.[30/]

AT&T should therefore be required to comply with the following condition:

30/ *SBC Communications v. FCC*, 373 F.3d 140 (D.C. Cir. 2004) (upholding the Commission's forfeiture for violation of the shared-transport merger condition attached to the SBC/Ameritech merger).

Section 251 Rights for Cable Providers

AT&T/BellSouth shall agree to treat any cable telephony provider, regardless of the technology used or the classification of service, as a requesting telecommunications carrier under sections 251 and 252 and shall owe such provider the obligations it owes to a requesting telecommunications carrier under section 251(c). AT&T shall permit such cable telephony providers to opt into any entire interconnection agreement, including, without limitation, any opt in rights established as a condition of this merger. AT&T shall not contest the authority or jurisdiction of a state commission to approve, arbitrate or enforce any interconnection agreement negotiated with any cable telephony provider, either before the state commission (or the Commission acting in the place of a state commission) or on appeal of a state commission determination regarding such interconnection agreement. This condition shall not expire unless superseded by statute or regulation clarifying the applicability of sections 251 and 252 to IP-enabled voice providers.

D. The Cable Companies' Proposed Conditions are Merger-Related

Contrary to AT&T's protestation, the conditions proposed by the Cable Companies are directly related to the merger. As fully explained in the Cable Companies' September 27 *ex parte* filing, this merger is primarily about enhancing AT&T's dominant position in the mass market so as to better meet burgeoning cable-based voice competition. It is thus remarkable for AT&T to assert that this merger "will have no impact on the merged company's dealings with cable companies."[31/] Indeed AT&T expresses outrage that it should be singled out for any "special treatment," as if it had not initiated one of the largest telecommunications mergers in history and would not, as a result, become the biggest telecommunications company in the world. Post-merger AT&T will dwarf even the largest cable companies, let alone the smaller, second tier companies requesting these conditions.[32/] AT&T is no position to cry foul when

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31/ *AT&T Letter* at 1.

32/ After the merger, AT&T/BellSouth is estimated to generate $117 billion in revenue and will "become the largest domestic phone company with more than 70 million local-access lines...." *See* Lara

confronted with narrowly-targeted conditions designed to ameliorate the increased incentives and ability to harm competition that will surely result from this merger.

II. IN ADDITION TO IGNORING THE CABLE COMPANIES' PROPOSED INTERCONNECTION CONDITIONS, THE CONDITIONS PROPOSED BY AT&T ARE INSUFFICIENT

AT&T's proffered conditions on transiting and forbearance are not adequate to mitigate the public interest harms the merger likely will cause in the residential market. Accordingly, the Cable Companies offer the following revisions to the conditions proposed by AT&T.

A. AT&T's Proposed Transiting Condition is Deficient

AT&T has proposed a modest condition addressing transiting. It proposes a ceiling for thirty (30) months on "rates paid by existing customers for their existing tandem transit service arrangements that AT&T and BellSouth incumbent LECs provide in the AT&T/BellSouth in-region territory."[33/] This provision is helpful, but insufficient. For one thing, as cable providers enter new markets, the condition could be interpreted as precluding them from receiving the benefit of this rate ceiling. It must be made clear that the condition applies to new as well as existing transiting arrangements to ensure that, as voice competition is extended to additional areas, AT&T may not target new competition with excessive transiting fees. Similarly, as the terms of existing interconnection agreements expire, AT&T may not use the re-negotiation to

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Jakes Jordan, *Justice Department Approves AT&T-BellSouth Merger Plan*, ASSOCIATED PRESS (Oct. 11, 2006); *see also* Ted Hearn, *DOJ Approves AT&T-BellSouth Merger*, COMM. DAILY (Oct. 11, 2006). In contrast, measured by revenue, AT&T/BellSouth will be five times larger than the largest cable company. Comcast currently has 21.7 million subscribers and its 2005 annual revenue was $22.3 billion. *See* Comcast 2005 Annual Report, Shareholder Letter, *available at*: http://www.comcast.com/2005ar/letter2.html (last viewed Oct. 24, 2006). AT&T/BellSouth's position is even more unequal with respect to the second and third largest cable providers, Time Warner has 11 million subscribers and Charter Communications has 3.8 million subscribers. *See* "Top 25 MSOs - As of June 2006," a*vailable at*: http://www.ncta.com/ContentView.aspx?contentId=73 (last viewed Oct. 24, 2006).

ignore this rate ceiling. Transiting rates for new arrangements should be no higher that existing rates for providers in the same or similar area.

AT&T should also be required to continue to address transiting provisions in the context of section 251 obligations and interconnection agreements, as proposed in the Cable Companies' condition on transiting, and by others.[34/] In its October 3, 2006 response to the Cable Companies' transiting conditions, AT&T incorrectly claims that the companies seek "expansive new transiting obligations."[35/] Instead, the Cable Companies are simply asking AT&T to continue providing transiting services that it and other incumbent LECs have routinely included in their interconnection agreements.[36/]

AT&T's intransigence on this issue is already in evidence. In negotiating for replacement section 251/252 interconnection agreements with AT&T in Arkansas,[37/] Kansas,[38/] and Oklahoma,[39/] AT&T flatly refused the inclusion of *any* transiting services in its proposed interconnection agreement. Cox (a member of the CLEC Coalition) was forced to arbitrate the

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33/ *Erratum* at 5 (letter from Robert W. Quinn, Jr., AT&T Inc., to Kevin Martin, Chairman, FCC, dated Oct. 13, 2006, notifying the Chairman of its updated list of proposed conditions).

34/ *See, e.g.*, Sprint Nextel Corporation Comments at 11 (requesting that the Commission "require the newly merged company to offer transit service at cost based rates and not the so-called 'market based' rates AT&T and BellSouth have sought in the states"); *see also* letter from Karen Reidy, Comptel, to Marlene H. Dortch, Secretary, FCC, attachment at 2 (Sept. 22, 2006) ("*Comptel Conditions Letter*") ("The merged entity will provide transit service for traffic between any two parties that are interconnected with the merged entity pursuant to an interconnection agreement. The transit service will be subject to sections 251 and 252 of the Act and will be subject to prices at UNE switching rates. The merged entity will not assert that transit service is not subject to sections 251 and 252 of the Act.").

35/ *AT&T Letter* at 2.

36/ *Cox Arkansas Arbitration Order* at 17 (stating that "[t]ransit traffic has always been a part of the ICAs....").

37/ *Id.*

38/ *See Cox Kansas Arbitration Order.*

39/ *See Cox Oklahoma Arbitration Order.*

inclusion of transit terms in the contract. Although the CLEC Coalition prevailed on this issue in each arbitration, the CLEC Coalition members were required to spend considerable time and money simply to have AT&T continue a well-accepted practice.

Requiring as a merger condition the continued provision of transiting services pursuant section 251 is necessary in light of AT&T's continuing market power over such services, especially given AT&T's track record regarding its unwillingness to negotiate such terms. The Commission, in the *Qwest Forbearance Order*, specifically found that BOCs have market power over transiting services and refused to lift section 251(c)(2) interconnection obligations as a result.[40/] Indeed, by addressing the question in the context of section 251(c)(2) forbearance, the Commission implicitly found that transiting is within the scope of section 251(c)(2).

Moreover, AT&T's proposal does nothing to redress the exorbitant transiting rates that exist in some places. In Connecticut, for example, AT&T's standard transit rate is 3.5 cents per minute. After prolonged litigation, Cox was able to reduce this somewhat, to 2.3 cents per minute. Even that rate is ten times higher than the rates Cox pays in other AT&T states and eight times higher than it pays in BellSouth states. Imposing egregiously high transit rates is a classic example of an entity utilizing control over bottleneck facilities to raise rivals costs and this issue should be addressed in a more robust manner than proposed by AT&T. The Cable Companies thus propose that the transiting condition be modified as follows:

> Transiting
>
> The AT&T and BellSouth incumbent LECs will not increase the rates paid by existing customers for their existing tandem transiting service arrangements that the AT&T and BellSouth incumbent

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40/ *Qwest Forbearance Order*, ¶ 86, n.215 ("Competitive carriers that do not directly connect to one another then rely on the incumbent LEC to provide a transit service to carry traffic between their points of connection with the incumbent LEC, which often are collocated.").

> LECs provide in the AT&T/BellSouth in-region territory. As existing interconnection agreements are negotiated and as transit customers expand into new areas within this territory and request transiting arrangements in these areas, the transit rate for such arrangements will not exceed the rates paid under the customers' existing agreements with AT&T and/or BellSouth, or, if no transiting arrangements exist, the transit rate will not exceed the average transit rate available in interconnection agreements with other companies that have transiting arrangements using the same AT&T/BellSouth tandems. AT&T/BellSouth shall not refuse to negotiate the terms and conditions of transiting in the context of section 251 interconnection agreements.[41/]

B. AT&T's Proposed Forbearance Condition Is Too Limited

AT&T states that it will not seek forbearance from its section 251(c)(3) unbundled loop and transport obligations. This commitment is too limited. AT&T should also refrain from seeking forbearance from section 251 interconnection and collocation obligations, which are critical to the Cable Companies' ability to provide facilities-based voice competition in the local market. The Commission acknowledged this point by refusing to exercise its forbearance power with respect to those obligations in the *Qwest Forbearance Order*.[42/] AT&T's explicit restriction of this condition to UNEs suggests that AT&T may seek forbearance from critical interconnection and collocation provisions, even though these are precisely the provisions that

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41/ Maintaining transiting rates in section 251 interconnection negotiations in no way expands the jurisdiction of the states beyond that contemplated by the Act. The Act contemplates that parties may negotiate and arbitrate any issue in the context of section 251 negotiations. During the negotiation process the parties "are free to make any agreement they want without regard to the requirements of section 251(b) and (c)." *Coserv Ltd. Liability Corp. v. Southwestern Bell*, 350 F.3d 482, 487 (5th Cir. 2003). Once part of the negotiation process, "*any* open issue" may be brought before the state commission for arbitration. *See id.* (emphasis added). The Act thus contemplates extraordinarily broad state jurisdiction over issues raised and negotiated in the context of interconnection negotiations. As *Coserv* recognized, the incumbent local exchange carrier can refuse to negotiate issues not specifically listed in sections 251(b) and (c). *See id.* The condition proposed by the Cable Companies removes AT&T's ability to refuse to negotiate transiting provisions, but this requirement does not expand state jurisdiction.

42/ *Qwest Forbearance Order* ¶ 85.

the Commission found remain necessary to ensure robust facilities-based competition in the voice market. The forbearance condition should thus be modified as follows:

> Forbearance
>
> For thirty months after the Merger Closing Date, AT&T/BellSouth will not seek a ruling, including through a forbearance petition under section 10 of the Act, 47 U.S.C. § 160, or any other petition, altering the status of any facility being currently offered as a loop or transport UNE under section 251(c)(3) of the Act, or from any interconnection or collocation obligation under section 251 of the Act.

CONCLUSION

For the foregoing reasons, the Cable Companies urge the Commission to adopt the interconnection-related conditions set forth herein and in their prior filings so as to ensure robust voice competition for residential consumers.

Respectfully submitted,

ADVANCE/NEWHOUSE COMMUNICATIONS
CABLEVISION SYSTEMS CORPORATION
CHARTER COMMUNICATIONS
COX COMMUNICATIONS, AND
INSIGHT COMMUNICATIONS COMPANY

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Dated: October 24, 2006

APPENDIX A

Cable Companies' Proposed Merger Conditions

Single POI per LATA

AT&T/BellSouth shall permit competitive providers to choose a single, technically feasible point of interconnection on AT&T/BellSouth's network, including choosing a single point of interconnection in a LATA. AT&T/BellSouth and the competitive provider shall each bear the financial responsibility for bringing their originating traffic that is subject to section 251(b)(5) to the chosen point of interconnection. AT&T/BellSouth and the competitive provider may mutually agree to establish additional points of interconnection as justified by sound network engineering and business practices. AT&T/BellSouth cannot unilaterally require the competitive provider to establish additional POIs based on levels of traffic set solely by AT&T/BellSouth.

Reducing Transaction Costs

(1) AT&T/BellSouth shall make available any entire effective interconnection agreement, whether negotiated or arbitrated, that was entered into by AT&T/BellSouth or any affiliate, in any state in the merged entity's 22-state incumbent LEC operating territory, subject to technical feasibility and state-specific pricing and performance plans.
(2) AT&T/BellSouth shall not refuse a request to opt into an agreement on the grounds that the agreement has not been amended to reflect changes of law, provided the requesting party agrees to negotiate an amendment regarding such change of law immediately after it has opted into the agreement.
(3) AT&T/BellSouth shall allow a requesting party, at its option, to use the parties' pre-existing interconnection agreement as the starting point for negotiating a new agreement.
(4) AT&T/BellSouth shall permit a party to extend the parties' current interconnection agreement, regardless of whether its initial term has expired, for a period of up to three years, subject to amendment to reflect changes of law after the agreement has been extended. During this period, the interconnection agreement may be terminated only via a competitor's request unless terminated pursuant to the agreement's "default" provisions.

Section 251 Rights for Cable Providers

AT&T/BellSouth shall agree to treat any cable telephony provider, regardless of the technology used or the classification of service, as a requesting telecommunications carrier under sections 251 and 252 and shall owe such provider the obligations it owes to a requesting telecommunications carrier under section 251(c). AT&T shall permit such cable telephony providers to opt into any entire interconnection agreement, including, without limitation, any opt in rights established as a condition of this merger. AT&T shall not contest the authority or jurisdiction of a state commission to approve, arbitrate or enforce any interconnection agreement negotiated with any cable telephony provider, either before the state commission (or the Commission acting in the place of a state commission) or on appeal of a state commission

determination regarding such interconnection agreement. This condition shall not expire unless superseded by statute or regulation clarifying the applicability of sections 251 and 252 to IP-enabled voice providers.

Transiting

The AT&T and BellSouth incumbent LECs will not increase the rates paid by existing customers for their existing tandem transiting service arrangements that the AT&T and BellSouth incumbent LECs provide in the AT&T/BellSouth in-region territory. As existing interconnection agreements are negotiated and as transit customers expand into new areas within this territory and request transiting arrangements in these areas, the transit rate for such arrangements will not exceed the rates paid under the customers' existing agreements with AT&T and/or BellSouth, or, if no transiting arrangements exist, the transit rate will not exceed the average transit rate available in interconnection agreements with other companies that have transiting arrangements using the same AT&T/BellSouth tandems. AT&T/BellSouth shall not refuse to negotiate the terms and conditions of transiting in the context of section 251 interconnection agreements.

Forbearance

For thirty months after the Merger Closing Date, AT&T/BellSouth will not seek a ruling, including through a forbearance petition under section 10 of the Act, 47 U.S.C. § 160, or any other petition, altering the status of any facility being currently offered as a loop or transport UNE under section 251(c)(3) of the Act, or from any interconnection or collocation obligation under section 251 of the Act.

EXHIBIT PLF-6

EXHIBIT PLF-6

EXHIBIT MGF-2

-----Original Message-----
From: Reynolds, Rhona [mailto:Rhona.Reynolds@BELLSOUTH.COM]
Sent: Friday, November 19, 2004 9:21 AM
To: Cowin, Joe P [CC]
Cc: Felton, Mark G [SBS]
Subject: Sprint ICA

Joe:

I apologise for not getting this to you yesterday. Pursuant to our discussion yesterday morning, this letter will confirm that the existing provisions of the ICA between Sprint and BellSouth that we discussed would cause the ICA to change to a month-to-month term automatically upon expiration of the term, which is currently December 31, 2004. BellSouth considers ICAs that are on a month-to-month term to still be effective and, therefore, permits amendment of those agreements in accordance with the provisions of the ICA. The provision that gives BellSouth the right to terminate the agreement upon 60 days notice would not be invoked by BellSouth during the period when the arbitration window is still open.

BellSouth will consider Sprint's request to extend the arbitration window to February 8 but, at this time, is willing to extend the window until January 21st. At this time, BellSouth is not willing to extend the term of the ICA.

I trust this addresses adequately the issues that you asked me to cover. If not, feel free to call me and we can discuss. If I do not hear from you in the interim, I hope you both have a nice Thanksgiving.

Rhona

*****

STATE OF SOUTH CAROLINA)
) CERTIFICATE OF SERVICE
COUNTY OF RICHLAND)

The undersigned, Jeanette B. Mattison, hereby certifies that she is employed by the Legal Department for AT&T South Carolina ("AT&T") and that she has caused AT&T South Carolina's Direct Testimony of P. L. (Scot) Ferguson in Docket No. 2007-215-C to be served upon the following on July 23, 2007.

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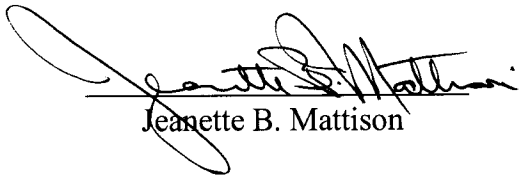

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